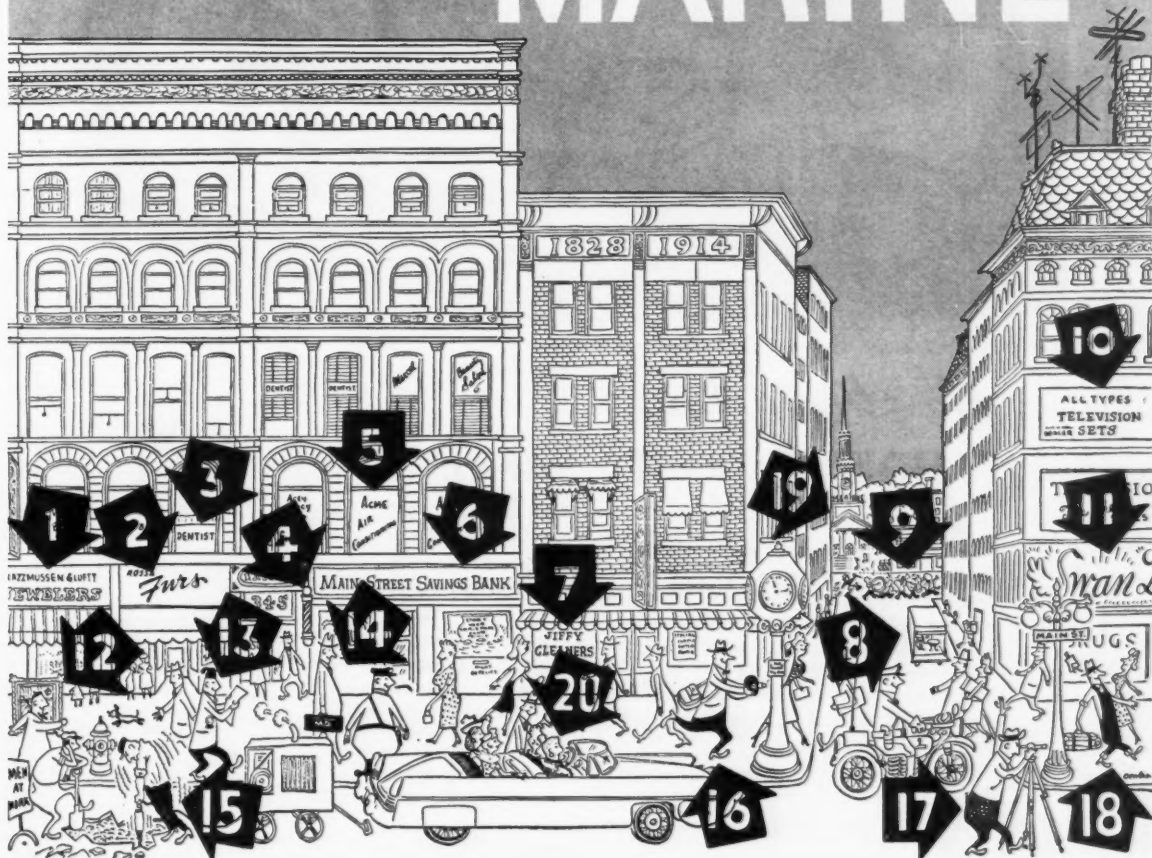


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The NATIONAL UNDERWRITER

59th Year, No. 2
January 13, 1955

The National Weekly Newspaper of Fire and Casualty Insurance

Complete Merger of American Home, Globe & Rutgers

**Assets of Surviving
American Home Will
Approximate \$34 Million**

NEW YORK—The merger of Globe & Rutgers Fire with American Home Assurance has been completed and approved, William S. Youngman Jr., chairman of both companies and president of C. V. Starr & Co., announced at a press conference here. C. V. Starr & Co. holds 162,000 of 311,000 shares of the new concern's stock. Individuals closely connected with the Starr organization own another 20% plus of American Home stock.



W. S. Youngman Jr.

The surviving name is American Home Assurance Co., selected because it indicates that the principal interest of the company will be domestic business, contrasting with American International Underwriters, which is the name under which the Starr organization writes business abroad. American Home and AIU are entirely separate organizations. Olin L. Brooks continues as president of American Home Assurance and of State of Pennsylvania.

More than 90% of the stockholders of Globe & Rutgers and American Home approved the merger. Stock transfer was on a share for share basis, plus 73 cents per share to American Home stockholders except on shares held by Globe & Rutgers. Mr. Youngman estimated that the total assets of the new company will be approximately \$34 million with policyholders surplus of around \$18 million as of last year end.

Since October, 1952, when C. V. Starr & Co. acquired the controlling interest in the Globe & Rutgers group, combined assets of those companies increased 28%, to \$41,003,452 as of Sept. 30, 1954. Policyholders surplus increased 18%, to \$17,942,771, and net premiums of the year ended last Sept. 30 increased 26% over the 12 months ended June 30, 1952, for a total of \$15,384,789. One reason for the increase in business of the company since Starr & Co. took over has been participation in the foreign writings of AIU and acceptance of business from brokers in the U. S.

One result of the merger will be to release funds for development which were not formerly technically available, Mr. Youngman said. This will enable American Home to widen its writings. He pointed out that the ratio of assets to writings in the two companies now comprising American Home

(CONTINUED ON PAGE 26)

NEW DISMISSAL BASIS

States, Parties to FTC Complaints, Not Listed, Insurer Says

WASHINGTON—Guarantee Trust Life of Chicago has asked federal trade commission to dismiss the complaint of misleading advertising, filed against it in October, on grounds that the states in which it is licensed were not named by FTC.

The company is one of 17 A&H insurers against which FTC filed complaints last October. Answers from five of these companies, including Guarantee Trust, denying FTC jurisdiction and asking for dismissal of the complaints, are summarized in an official FTC release.

The states in which it is licensed are "proper parties" to the proceeding, Guarantee Trust maintains, because "the attempt by FTC...to take jurisdiction in this cause invalidates, impairs, and supersedes laws enacted by the states in which (the company) conducts its business." These states' regulatory statutes concerning insurance, the answer goes on, "are threatened and may be supplanted by federal regulation" without the states themselves being parties to the proceeding.

Others that answered, besides Guarantee Trust, are Guarantee Reserve Life of Hammond, Ind., LaSalle Casualty of Chicago, Life Ins. Co. of America of Wilmington, Del., and United of Chicago.

Conceding that it enters into contracts in Indiana with people residing in states other than those in which it is licensed, Guarantee Reserve Life states "it is not subject to the jurisdiction of any state other than those states in which it is licensed because (it) is

(CONTINUED ON PAGE 27)

Changes Jan. 12

Contractual, Product Protective, Elevator, O.L.&T. and M.&C.

Changes in manual rules and BI rates for contractual liability, owners' or contractors' protective liability, product liability, and elevator liability have been introduced by National Bureau and Mutual Bureau, effective in most states Jan. 12. The Mutual Bureau filing is effective in 43 states and the District of Columbia. The National Bureau filing is effective in all states except Oklahoma, and also in the District of Columbia, Alaska, Hawaii and Puerto Rico. The effective date of the National Bureau filing is Feb. 1 in Hawaii and Feb. 9 in Texas.

Both organizations also have revised BI rates for OL&T in Wisconsin, effective Jan. 12.

BI rates for two classifications of contractual liability insurance, "sidetrack agreements—national industrial traffic league type", and "sidetrack agreements—n.o.c." are reduced 20% except in New York where the rates are unchanged.

BI rates for contractual liability for the classifications applicable to construction agreements not involving maritime operations will reflect reductions in BI manual rates for owners' or contractors' protective liability upon which contractual liability rates for these classifications are based. BI rates for all manual rated classifications of owners' or contractors' protective are reduced approximately 20% except in New York. In New York City the rates are unchanged except for two classifications for which the rates are increased 100%. In the rest of New York rates remain unchanged.

Changes in BI for product liability result in an average reduction of about 24% with the exception of New York

(CONTINUED ON PAGE 26)

NYFIRO, Allstate Spar at Hearing on Fire Rate Cut

**Moser Moves to Dismiss,
Kaplan Moves for Stay,
Harris Doesn't Rule**

NEW YORK—The hearing by the insurance department on charges by New York Fire Insurance Rating Org., that the Allstate rate reduction of 20% on dwelling classes, effective last Sept. 21, is inadequate, unreasonable, and unfairly discriminatory, opened here last week. After a day spent on preliminary skirmishing, the hearing was adjourned until Jan. 17.

At the opening, Henry S. Moser, vice-president and general counsel of Allstate, moved to dismiss the hearing on the ground that the rating bureau and the companies which joined with it in applying for the hearing are not aggrieved persons within the meaning of the statutes. This point was debated at length by Abraham Kaplan of Powers, Kaplan & Berger, counsel, along with C. P. Butler, for NYFIRO and the America Fore and Corroon & Reynolds groups, which also filed applications for the hearing at about the same time as did NYFIRO. Raymond Harris, counsel of the department, who is the hearing officer, postponed ruling on the Moser motion. There seemed to be general agreement by both sides that until Mr. Harris did rule on this point, it would be an economic waste to go ahead and argue the merits of the case.

NYFIRO also moved to have the department stay the effective date of its order approving Allstate's dwelling rates. It was Mr. Kaplan's contention that the language of the statute, section 186 (b), which says the superintendent may suspend the effective date of an order, means that as an administrative agency it must suspend that order. Mr. Harris promptly ruled that if Mr. Kaplan contended that the statute was mandatory on the department, then he would not grant the motion, but on the motion itself he did not rule.

Mr. Kaplan also moved to amend the application for a hearing to include a charge that the Allstate rates are an unfair trade practice, under section 278. Mr. Harris did not rule on this motion.

At times the interchange between counsel for the opposing sides, and even between counsel and the hearing officer, broke out into acerbity.

In moving to dismiss the hearings, Mr. Moser said the insurance law does not contemplate that any insurer can be harassed, or that the insurance department, with its administrative responsibility for regulating the business in an orderly manner, can be subjected to constant hearings. Only the filer is entitled to question the correct-

(CONTINUED ON PAGE 19)

Late News Bulletins...

Fidelity of S.C. Is Activated

Interests affiliated with the Harris & Webster general agency of Mullins, S. C., have announced the activation of the Fidelity Ins. Co. there.

Fidelity is a stock change-over of the Fidelity Mutual of Sumter, S. C., and has authorized capital of \$100,000. The company will begin operations on Feb. 1, with \$80,000 paid-in capital and surplus, and, although multiple line, will confine its initial operations to automobile liability and physical damage.

Officers and sponsors of the company are John W. Harris, president, and Sam R. Webster, Jr., secretary and treasurer.

Pays \$200,000 for One Packet of Diamonds

St. Paul F&M. has paid \$200,000 for one shipment of diamonds lost in the BOAC airliner crash at Prestwick, Scotland, in December. The diamonds were being imported by a jeweler in the U. S. The insurance was placed by Broker Jack Gold of New York through Wm. H. McGee & Co., New York, general agents of the St. Paul. Total coverage on diamonds en route from South Africa to the U. S. was \$2,800,000.

United Benefit Merit Plan in Iowa

Iowa has approved United Benefit's merit rating plan for auto liability coverage which provides a 25% credit for no accident for four years, 20% for no accident for two and three years and 15% for one year. One accident costs

(CONTINUED ON PAGE 28)

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Mid-West Division: 108 E. Washington Street, Indianapolis, Indiana

Southern Division: Mercantile Commerce Building, Dallas, Texas

N. Y. Bar Assn. to Hear Panel of Lawyers, Insurers

A panel of lawyers will question a panel of insurance executives at the annual meeting of the insurance law section of New York State Bar Assn. Jan. 27 in New York City. The program for the meeting has now been completed. Daniel J. Reidy, vice-president and general counsel of Guardian Life, is chairman of the insurance section. Wayne Van Orman, New York City attorney, is chairman of the program committee.

Moderator for the panel is Henry L. Ughetta, justice of New York supreme court. Panel members are Franklin R. Brown of Buffalo, Harry A. Gair of New York City, and Donald W. Kramer of Binghamton, for the lawyers, and Wilson C. Jansen, president of Hartford Accident, Ellis H. Carson, president of National Surety Corp. and vice-president of Fireman's Fund, and H. Clay Johnson, executive vice-president and general counsel of Royal-Liverpool group, for the insurance companies.

Among the questions the panel will answer are:

Does company investment policy affect underwriting or claim settlement practices? Would a large stock market decline have any effect on these practices?

Will the defense provision of the automobile liability policy deteriorate under rate competition?

Can improved claim practices be used as a competitive weapon against rate competition?

Are abrupt cancellations of automobile liability policies increasing because of rate competition?

Who is the client when a liability company furnishes an attorney to insured to defend an action brought against insured?

What do insurers have to offer in lieu of compulsory automobile liability?

Is there de facto comparative negligence in New York?

Has court congestion increased during the last year?

Are lawyers fees in negligence cases too high?—too low?

The panelists will also answer questions submitted in writing from the floor.

After the meeting, cocktails will be served and a luncheon will be held at which Albert Conway, chief judge of the court of appeals, and Sen. Hughes of Syracuse will speak.

Highlights of the Week's News

Welfare fund abuses cited by Bohlinger; insured plans pay betterPage 7
Compulsory auto not recommended by Governor Harriman of New YorkPage 8
L. A. McKinnon favors LUTC A&H course if DISC area is not duplicatedPage 10
Insurers must tell their story to the public, A. E. Spottke tells insurance teachersPage 11
General of America Corp. plans 4 for 1 stock split, increase in dividendPage 2
To seek standard fire policy in New HampshirePage 27
Merger completed of American Home and Globe & RutgersPage 1
Insurer says states should be listed as parties to FTC complaintsPage 1
Changes in rules and rates announced for several general casualty linesPage 1
NYFIRO and Allstate spar at hearing on fire ratesPage 1

General of America Corp. Plans 4 for 1 Stock Dividend

Directors of General America Corp. which owns 100% of the stock of General of Seattle group, have recommended a four for one stock split and an increase in the dividend of the present stock from \$1.25 to \$2.00, indicating a quarterly dividend of 50 cents per share on the new stock, if continuation of that dividend is warranted. Stockholders will vote on the proposal at a meeting in Seattle Jan. 27.

The increase in dividend and the stock split were presented to the directors on the recommendation of H. K. Dent, chairman, and W. L. Campbell, president. It was reported that General America Corp.'s estimated earnings in 1954 are \$70 a share after taxes, on the present capitalization.

North America Makes Another Reduction in California Rates

North America has made new reductions in fire rates in California, ranging from 5 to 10% on dwellings, plus a reduction throughout the state on churches and hospitals averaging 17%.

The latest changes, unlike those of last May, do not affect brokers' commissions, and they bring North America's rates in line with those of the Pacific Board, which were revised drastically following the original action of North America.

Pearl Joins Association

Pearl-American group has been elected to membership in the Assn. of Casualty & Surety Cos., bringing the total to an all time high of 116.

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Several Changes for Aetna Fire Group

Secretary Irvin E. Crouch of Aetna Fire group has been transferred to the New York department to succeed Secretary Harold J. Kiefer, who has asked to be retired to the reserve force for reasons of health.

Mr. Crouch will be succeeded in the home office brokerage department by Assistant Secretary Robert C. Bielaski, who is being transferred from the casualty department.

John R. Brandt, now assistant production manager, will take over Mr. Bielaski's duties as assistant to Vice-president Harold B. Kiefer in that department.

Neil H. Reynolds, assistant secretary, becomes manager of the New York claim division, succeeding Walter F. Kenney, who has retired. Mr. Reynolds has been in the legal department at the home office.

Frank A. Aiken, secretary of the group, has been placed in charge of the inland and ocean marine department, succeeding Vice-president George G. Quirk, who has retired.

William B. Johnston has been named special agent of the group in eastern Massachusetts, replacing A. Miller Gifford, who has been recalled to the home office to be superintendent of the claim department. Mr. Johnston will be associated with State Agents Homer W. Jones and Harold M. Estabrook, with headquarters in the Boston office.

Mr. Crouch joined the Aetna in 1925 as assistant examiner in the southern department, transferred to the special risks department and in 1929 became inspector of Eastern Underwriters Inspection Bureau, middle states division. In 1930 he returned to the Aetna as an engineer in the special risks department, was made chief engineer in 1934, assistant secretary in 1942, secretary of fire companies in 1946 and secretary of all Aetna companies in 1951.

H. J. Kiefer has been a manager of the New York metropolitan department since 1942. He joined the Aetna in 1917, working first in the mail room at the home office. After war service he returned to the Aetna, to the book-keeping department and later the brokerage and special risks departments. In 1925 he was made special agent in North Carolina and was appointed assistant secretary of Piedmont in 1934. In 1937 he was made general agent at the home office. He became secretary in 1937 and went to the New York department.

Mr. Bielaski joined the Aetna in 1937, became an engineer in the special risks department in 1939, and special agent in North Carolina in 1941. After the war he was special agent in the special risks department. He was named general agent of the fire companies in 1948, assistant secretary of all fire companies in 1950, and assistant secretary of all companies in the group in 1951. At that time he was chosen to assist in research work for the development of multiple line insurance.

Mr. Reynolds is a lawyer. He joined Century Indemnity as an adjuster in the Chicago claim division in 1929, became manager of the Syracuse claim division in 1930, was transferred to the Boston division as supervisor in 1931 and was made assistant manager in Boston in 1935. Five months later he returned to the western department office in Chicago as manager of the claim division and served in that

capacity 14 years. In 1949 he transferred to the Aetna's legal department in Hartford and in 1950 he was made assistant secretary of the group.

Mr. Kenney from 1922 to 1925 was an adjuster with Maryland Casualty at Boston. From 1925 to 1929 he was manager of the Worcester claim division and later assistant manager of the Boston claim division. He joined Century Indemnity in 1929 as assistant manager of the New York claim division and was made manager in 1931.

Since 1951, Mr. Aiken has been in charge of the company's marine busi-

ness in the New York department. He joined the Aetna in 1938, served for two years as assistant marine manager at the New York office, left the Aetna but returned in 1945 and went to the home office as general agent. In 1947 he was elected assistant secretary of the fire companies and in 1951 was made secretary of all companies. He has made broad studies in the field of P. & I. underwriting, which afford liability protection to marine interests, and is a specialist on the underwriting of bridges. At one time he served as chairman of the bridge rating com-

mittee of Inland Marine Underwriters Assn.

NYFIRO Annual February 8

The annual meeting of New York Fire Insurance Rating Org. will be held Feb. 8. The agenda includes the usual reports of officers and committees, and election of five members of the governing committee.

Richard F. Cloak Jr. has joined Edson & Edson, Greenwich, Conn., local agency. He formerly was manager of Continental Casualty at Detroit.



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Insurers Win \$15,000 from Agency on Issue of Misrepresentation

DES MOINES—Federal Judge W. F. Riley in an unusual ruling set aside a jury verdict in favor of a Fort Madison, Ia., agency and instead awarded damages totaling \$15,115 to four plaintiffs who had brought the suit against the agency.

The action grew out of fire insurance sold in 1949 by Scherfe Insurance Agency and its president, Paul Baughman, to Nabeeha Rashid on the Flamingo Club near Fort Madison.

Universal of Rhode Island and D. A. Cole, W. D. Denham and T. R. Ching, all representatives of Lloyds, had accepted the insurance. The club was destroyed by fire Nov. 25, 1950, and the owner collected on her policy.

The four insurers started action against Scherfe and Baughman a year ago, alleging that Baughman had concealed facts in the case. They claimed the Flamingo Club was represented to be a restaurant when as a matter of fact it was a night club with a dance floor and a bar where liquor was served.

They also claimed that Scherfe and Baughman had stated that Nabeeha Rashid had only one previous fire on property she owned when, as a matter of fact, she had four fires. Judge Riley, however, found that the defendants were not aware of the previous fires.

At the trial a jury returned a verdict in favor of the Scherfe agency. The trial judge had directed a verdict in favor of Baughman, removing him as a defendant.

Judge Riley's ruling sets aside the verdict, restores Baughman as a defendant and upheld the earlier motion for awards of damages of \$2,726 to Universal; \$3,408 to Cole; \$3,866 to Denham and \$5,113 to Ching.

Joe Hunt Is Installed as Okla. Commissioner

Joe B. Hunt was inducted into office as Oklahoma insurance commissioner Jan. 10 to succeed Robert L. Birdwell, who was serving out the unexpired term of Donald F. Dickey.

Mr. Hunt has had many years of experience with Oklahoma Insurance Board and in the commissioner's office, where he served under the late Jesse G. Read. He was assistant secretary for the insurance board from 1942 until last April when he resigned to campaign for commissioner.

As commissioner, Mr. Hunt is president of the insurance board. Among the prospective appointees announced by Gov. Gary is that of Ralph Duroy, insurance agent of Elk City, as state fire marshal. This would make Mr. Duroy the third member of the board serving with Mr. Hunt and Fred Albert, the secretary.

State Farm Cuts Rates

State Farm Mutual of Bloomington, Ill., has reduced collision rates in Michigan and BI, PDL and PHD rates in Ontario, Can.

In Michigan, State Farm also reduced comprehensive rates except in Detroit and liability rates in Grand Rapids and 15 counties. Rate reductions on collision average 4.9%, on comprehensive 3.8% and in Grand Rapids BI is down 19.4%. In the counties it is down 11.8%. There is a 8.9% increase in liability rates in Flint and a 24% increase in parts of Bay, Genesee, Midland and Saginaw counties and all of Clare county.

For commercial vehicles, there is a

18.9% cut in the \$50 deductible collision except in Detroit.

In Ontario, State Farm is cutting rates 15% and will allow a 20% reduction for drivers having three years with no accident record.

State Farm has also reduced rates for all types of automobile coverage in Wisconsin from 17% to 23% effective Jan. 10. The company is also inaugurating in Wisconsin a "stay and save" plan for new policyholders, under which "starting rates" are offered for the first six months of each new policy, plus "staying rates" for later six month policy periods. The "staying rates" are the same as the new rates taking effect for present policyholders.

"Starting rates" cover the cost of insurance plus putting new business on the books and issuing the policy, and is a higher rate paid only when the policy is first taken out. The "staying rate" is substantially lower. This plan is used in lieu of the membership fee plan in Wisconsin.

Larner Now Employers U. S. General Manager



Edward A. Larner

Edward A. Larner has been named U. S. general manager and attorney of Employers Liability. He has been U. S. manager and attorney of the corporation since 1947. He joined the group in 1926.

To Hear NFPA Man at Chicago

Charles L. Smith, electrical field engineer for National Fire Protection Assn., will address the Chicago chapter of Society of Fire Prevention Engineers Jan. 18 on the cause of electrical fires. The meeting will be at the Midland hotel.

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Mich. Agents Card Is Shaping Up

Highlights of the program of the midyear meeting of Michigan Assn. of Insurance Agents at Detroit Feb. 24-25 have been mailed to agents. Among the speakers will be John Neville, secretary and general counsel of the National association; Stuart W. Doty, local agent of Grand Ledge; Ralph Norvell, Pontiac agent; Jack Chatel of Michigan Bell Telephone Co., and William Hall, vice-president of the Detroit bank. There will be discussions on inland marine insurance and combination package policies.

Insurance Federation Forms Advisory Unit

Insurance Federation of Illinois has completed its insurance advisory council, with the organization meeting being held at Chicago. The council, composed of all phases and interests of the insurance business to review legislation which will be introduced this session, named the following officers:

Chairman, E. H. Henning, president of Central Standard Life. Mr. Henning is also president of the federation. C. C. Rauschenbach, manager of Ocean Accident, was named vice-chairman. He is 1st vice-president of the federation. Florence M. Manson, executive secretary and treasurer of the federation was named secretary-treasurer of the advisory council. All are from Chicago.

United Mutual, New Ind. Insurer, Is Licensed

United Mutual of Fort Wayne has been issued a certificate of authority by the Indiana department and will start writing automobile insurance as of Feb. 1. Eventually the company will write all lines of casualty, operating on the American Agency System.

Officers are Richard J. Traster, president; L. H. Dunten, vice-president; Roland M. Cole, secretary and Paul Grewe, treasurer. Mr. Traster has been in the agency business for 18 years. The home office is at 124 West Washington boulevard, Fort Wayne, Ind.

Northern of N. Y. Files Participating in Idaho

The Northern of New York has filed a participating fire policy in Idaho and is presently writing fire business on a participating basis in that state. Idaho is serviced by the Portland office, which is managed by Robert A. Stahl, state agent.

General of Seattle Names C. M. Noren as Ad Manager

C. M. Noren has been appointed manager of the advertising department of General of Seattle and affiliated companies. He has been with the company for a year as assistant to Stewart Gloyd, who becomes editor of publications, a newly created position.

Mr. Noren graduated from the University of Washington and was with Cole & Weber advertising agency of Seattle for five years before joining General.

Mr. Gloyd has been with General since 1927, and served as accountant, solicitor and special agent. He was office manager at San Francisco from 1934 to 1938 when he became a local agent. He returned to General in 1941 as manager of the agency service department.

Western Casualty Names O'Gorek in Bond Post

Western Casualty of Fort Scott has appointed Vincent J. O'Gorek as assistant manager of the home office fidel-

ity and surety department at Kansas City.

Mr. O'Gorek started in the business with American Casualty at the home office in 1939, and later was manager of the bonding department at Nashville for American Casualty. For the last three years he has been contract bond manager at Kansas City for United Pacific.

Church Mutual Enlarges Quarters

Church Mutual staged an open house to celebrate the opening of an annex and additions to the home office at Merrill, Wis. Office space now totals 13,000 square feet.

Reintroduces Federal Health Cover Bill

WASHINGTON—Rep. Dingell of Michigan has reintroduced his health bill which he calls national health insurance act. He said the need for greater health insurance coverage for more people becomes more urgent every year because of rising medical and hospital costs.

The President's commission on health needs, he added, found that the existing voluntary health insurance plans reach too few people with too

limited services. Dingell said the bill guarantees administration of the act by state and local bodies under general federal standards, free choice of doctor for every patient and freedom of doctors to accept or reject patients as they can now.

Charleston Board Elects

Henry Tecklenburg Jr. has been elected president of Charleston Board of Insurance Underwriters. Other officers are James Holcombe, vice-president, Edwin C. Owens, secretary, and Harold G. Dotterer, finance chairman.



Forecasts for the coming year indicate larger national income and money in circulation, along with increased production of goods and services. Every local businessman will want to get his share of such available potential business, and that means keener competition all around for a share of each buyer's dollar. The local agent must face this competition head on by devising more and better sales plans to meet this *turmoil in the marketplace*.

Our Advertising Department can be helpful in those directions. Talk over your advertising and production problems with our Fieldmen or Branch Office staffs. If you prefer, write in detail direct to our Advertising Department at the Home Office.

Meanwhile ask for your copy of our "Key to Agency Development" booklet, describing advertising facilities and services available to our local representatives.

"WHAT OF '55?" — careful planning and programming, now, will provide a profitable answer for the future months.

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The COMMONWEALTH Insurance Company of New York

The MERCANTILE Insurance Company of America

The HOMELAND Insurance Company of America

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Detroit

Philadelphia
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San Francisco

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YOU SELL . . .



... are such selling aids as the Peerless ORGANIZER. This is only one phase of our complete sales-aid program.

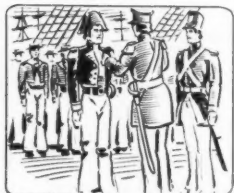
There are as many ways to make a sale as there are salesmen. Each has a technique as individual as a fingerprint, but you will always find the most successful men are those who are backed by good merchandise and effective selling tools. Peerless offers both to aggressive, competent agents.

PEERLESS
Casualty Company
An Old New England Company
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LEADERS ALL



OLIVER HAZARD PERRY (1785-1819) was the son of a naval officer and noted for his heroism in the war of 1812.



HE SENT TO GENERAL HARRISON THE FAMOUS MESSAGE, "We Have Met The Enemy and They Are Ours." He was promoted to captain and given a gold medal.

25: OLIVER PERRY



IN 1807 HE WAS APPOINTED A LIEUTENANT COMMANDER and was in charge of construction of gunboats at Newport for two years.



PERRY MET AND FOUGHT THE BRITISH, on Lake Erie, in 1813. His boat was destroyed; rowed to the ship Niagara, he raked the British ships with broadsides, and the six ships surrendered.

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**HAWKEYE-SECURITY
INSURANCE CO.
INDUSTRIAL INSURANCE CO.**
Des Moines, Iowa



Stott Heads New PR Unit for NAIA

John C. Stott of Norwich, N. Y., a former president of National Assn. of Insurance Agents, has been named chairman of the new public relations committee of the association by Joseph A. Neumann of Jamaica, N. Y., president.

Mr. Neumann said the appointment grew out of recommendations and discussions concerning the need for a special committee to devote itself to a study of public relations in insurance and the use of various media in advertising.

Others on the committee are Arthur M. O'Connell of Cincinnati, past president of Ohio association; Maurice J. Hartson Jr. of New Orleans who is presently on the NAIA finance committee and former chairman of the property insurance committee; Thurston H. Jenkins of Denver, state national director and past president of the Colorado association; and Alan H. Miller of Hackensack, N. Y., chairman of the New Jersey association's special publicity committee.

Morrow in Charge of Marine for Home

Home has placed John W. Morrow, vice-president and secretary, in charge of the company's marine operations. He succeeds Frederick B. McBride, who retired Jan. 1.

Mr. Morrow joined Home in 1923 after nine years in the marine agency field. In 1930 he was made manager of the company's marine department and in 1936 he was elected assistant secretary. After serving as a secretary and assistant vice-president in the marine department, he was elected a vice-president and secretary in 1949.

He has served as a director of Board of Marine Underwriters and American Institute of Marine Underwriters and on the board of the American Syndicate for Insurance of Builder's Risks and American Cargo Reinsurance Exchange.

Two New Insurance Films

Encyclopedia Britannica Films of Wilmette, Ill., has just gotten out insurance movies, one on safety entitled "Anyone at All!" and another titled "Casualty Insurance." Both films run about 22 minutes and are in color or in black and white.

Professor Ralph Blanchard of Columbia University collaborated on the casualty film, which surveys the daily hazards covered by casualty insurance, tells the story of a policyholder's automobile accident and the ensuing court trial and how the insurer was involved, and then describes the safety research and engineering facilities of insurance companies. There is mention also of the career opportunities in the casualty insurance field.

National Safety Council helped get up the safety film, which covers accidents and their causes on the highway, in the factory and home, and tells what individuals can do to promote safety.

Films may be rented from Encyclopedia Britannica Films at \$7 for color or \$4.50 for black and white or they may be purchased for \$200 in color or \$100 in black and white.

Joins General Accident

General Accident has named Harold E. McGuinness field representative in the suburban New York territory. He has been with Home in its metropolitan department 10 years. His new activities will include the further development of General Accident's multiple underwriting program.

Vigilant Now Writing Participating in Wash.

Vigilant of Chubb & Son has begun writing participating fire business in Washington. The company is paying a 15% dividend and has entered the participating field as a competitive measure.

The Washington department refused to accept the filing of a 40% deviation for Vigilant in lieu of the 30% currently in effect in another Chubb company. However, Vigilant has authority to issue participating policies in its charter, and has taken advantage of this provision.

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BROKERS. U.S. business investments in Cuba exceed One Billion Dollars. Write us your clients' requirements for insurance in Cuba.

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Insurance Managers

Lonja Bldg.

Havana, Cuba

Bohlinger Says Fifth of Welfare Funds Are Abused; Insured Plans Pay Better

NEW YORK—A report on the investigation and hearings on abuses in union welfare funds has been submitted to Governor Dewey by Superintendent Bohlinger of New York. He also made recommendations (reported in last week's issue) for correcting bad practices, which will be taken up at the discretion of Governor Harriman and the new legislature.

On the 162 union welfare plans examined, 91 were found to be ably administered in the best interests of the membership. However, 37 were subject to some criticism, and in 34 serious abuses were found. Mr. Bohlinger pointed out that about a fifth of the plans had glaring abuses, a fifth were open to some criticism, and the rest were well and honestly managed. This could probably be called a representative ratio of the management of the approximately 500 union welfare plans in the state, he said. The findings are probably symptomatic of similar conditions which may be found in most poorly run or mismanaged plans, the report stated.

It was brought out that life and health insurance under self-administered plans paid an average of 44 cents per contribution dollar in benefits with many instances of levels of benefit payments far below this average. In the case of insured plans, benefits averaged 65 cents of each contribution dollar.

Administration expenses for small welfare plans were relatively greater than for larger plans, because of the small amount of contributions involved and the problems in collecting them. Where insurance was purchased, a larger part of the premium dollar was paid in commissions because of the relatively small premium volume.

Though the level of benefits paid by insurers in union welfare cases is usually high, the practices of a few insurers and producers are subject to criticism. There was some evidence of excessive commissions and fees to producers and payments of fees to unions, union welfare plans and their administrators.

Though employees often expect lifetime benefits through self-administered union and employer pension plans, there is no assurance that these obligations will be met unless sound actuarial and investment policies are followed. Members of such plans do not have the protection a regulatory agency affords against financial instability and irresponsible management, the report stated.

Among the abuses cited in the report were failure to distribute benefits reasonably adequate in relation to employer contributions. The combination of the dissipation of the assets of welfare funds and the unnecessary accumulation of large surpluses provided a low level of benefit payments.

In evidence brought out on misuse of welfare funds, the ratios of expenses to contributions received were obviously excessive, sometimes ranging up to 52%. This usually was caused by excessive salaries; expense allowances and fees for work performed or payments for work not performed at all; of purchase of unneeded expensive automobiles; arbitrary and exorbitant charges for expenses by the parent union; legal and medical fees, accounting charges, and other payments for professional services out of propor-

tion to services rendered; payments to union officials for expense of attending union conventions; payment of so-called management fees to insurance agents and brokers for alleged services normally provided by producers or insurers without charge; payments to trustees out of proportion to services rendered; and purchasing property of little worth.

In some instances, the investigation

uncovered loans, usually unsecured and seldom repaid, and subsidies and outright gifts to unions and union officers to finance projects having no connection with the purposes of the welfare fund, such as financing strike benefits, or erecting or renovating union headquarters.

The investigation brought out a lack of proper administrative procedures, such as inadequate accounting records and practices, absence of vouchers for expenses purportedly incurred, disbursements made without countersigning checks and failure to record trans-

actions. There was also evidence of large sums being left in commercial banks without earning interest.

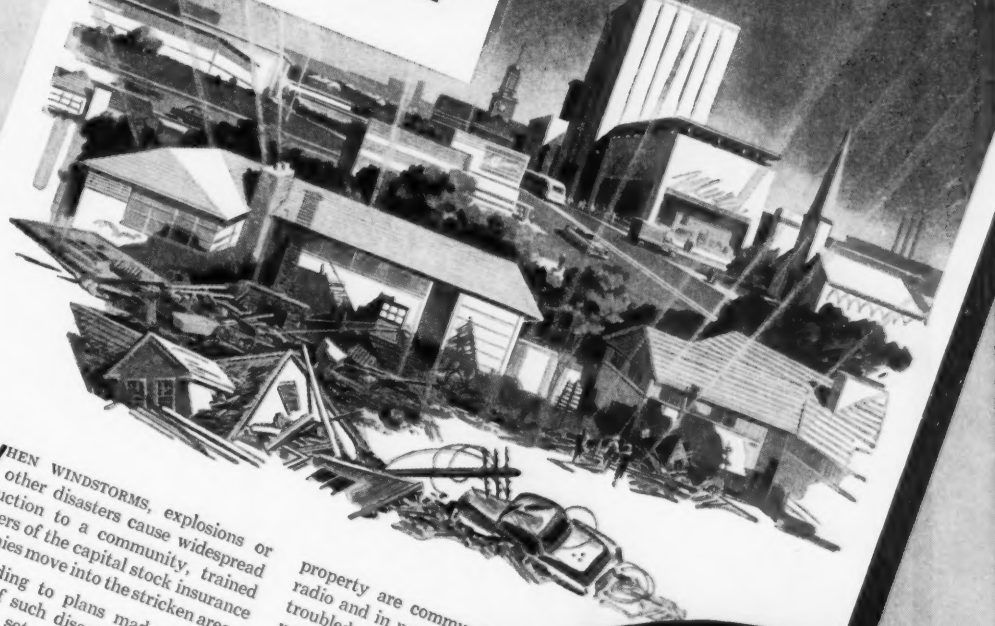
Sometimes there were infrequent meetings of trustees, a lack of minutes of trustees' meetings, a laxity of employer trustees, and an inability of funds to meet current obligations, bringing about excessive assessments, borrowing, and falling into arrears in the payment of insurance premiums.

Also uncovered was evidence of nepotism—relatives of union officials, administrators and trustees were on the

(CONTINUED ON PAGE 18)

America Fore's 1955 national advertising continues to spotlight the insurance industry's public service activities as well as to stress the benefits of personal advice, professional experience and help which the individual enjoys both before and after a loss when he insures through a local agent.

A Glimpse at Insurance in Action



WHEN WINDSTORMS, explosions or other disasters cause widespread destruction to a community, trained adjusters of the capital stock insurance companies move into the stricken areas. According to plans made in anticipation of such disasters, catastrophe offices are set up and operating in a matter of hours. Urgently needed information and comforting advice on what to do about claims and damaged property are communicated radio and in newspapers to troubled people. Local insurance companies move into the stricken areas. Thus, through careful foresight, the capital stock insurance companies and their adjusters are ready to provide prompt action immediately after destruction—to help and to provide prompt action for building anew.


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★ THE SATURDAY EVENING POST ★ LIFE
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FIRE • CASUALTY • BONDS

EDWARD T. HARRISON
chairman of the board

GORDON S. YEARGAN
president

N. Y. Governor Does Not Recommend Compulsory Auto

In his message to the New York legislature, Governor Harriman said that grave injustices result from injuries and death caused by drivers who carry no insurance and have no financial responsibility. But he did not recommend "that effective legislation be enacted which will protect those who suffer injuries or death caused by financially irresponsible motorists". He noted that 90% of the motorists of the state are insured and that people are not protected from injuries caused by uninsured out-of-state motorists and by car thieves and other willful violators of the law. He said there were other methods of meeting the problem besides compulsory.

Harriman also recommended uniform traffic laws and periodic physical check-up of drivers.

Disability benefits for off-the-job accidents and sickness are inadequate, he said. He recommended an increase to 26 weeks. The pledge that workers

and employers share the cost equally of this coverage has not been kept. Many employers are paying far less than an equal share.

The operation of the present disability insurance system will be carefully studied and consideration given to where the responsibility for the administration of the program should continue with the workmen's compensation board. It might be more logical to have it administered by the agency that handles unemployment insurance.

He recommended increased coverage under WC and a rise in the scale of benefit payments to reflect increases in the cost of living and maintain a realistic relationship between wages lost and benefits paid. There should be a more equitable standard of scheduled losses.

Cost of WC to employers should not be unreasonable and claimants should receive all of the benefits to which they are entitled. Wherever the administration of the law reflects a hostile attitude toward claimants, that trend should be reversed.

There have been abuses in the administration of union welfare and pension funds, he said, and he intends to review the situation.

Not Suicide in Mo. Even if Dying Man Admits It

The difficulty of getting a suicide verdict in Missouri was demonstrated by the federal court of appeals for the eighth circuit in affirming a lower court decision against National Postal Transport Assn.

A police officer testified that the insured had said while dying, "No one is to blame; I shot myself." "I am sick and tired of living." In the police record the officer reported, "Mr. Hudson told us that he shot himself in an attempt to commit suicide."

The court of appeals judged this an attempt to enlarge and interpret, and said that whether the insured committed suicide was for the jury to determine.

In affirming the lower court's decision, the court of appeals cited three precedents buttressing the presumption against suicide, and considered the insured's disposition, personal circumstances, and the circumstances of the event, judging them all in favor of the presumption in this case. (ICCH Life A&H 1121).

Form TIS in Virginia


Trained Insurance Specialists of Danville, Va., has been formed to better acquaint the public with insurance and its most effective use by 15 agents in the Danville area. The group is the fifth of its kind to be formed. There are other TIS groups in New Orleans, Baton Rouge, Shreveport and Mobile. A newspaper advertising campaign is the core of the program.

Chairman of the TIS management committee is James T. Catlin, III, Jas. T. Catlin & Son Co. The committee also includes Fenton N. Graveley, Graveley Bros. agency, president of Danville Board, and Albert E. Cox, Cox & Goodrich, president of Virginia Assn. of Insurance Agents.


Eierman Heads Baltimore C&S


Arthur D. Eierman of New Amsterdam is the new president of Casualty & Surety Club of Baltimore. Other officers are John G. Butt of U.S.F.&G., vice-president, R. Glover Bauer of U.S.F.&G. secretary, and C. M. Snyder of New Amsterdam, treasurer.

Northwestern Mutual Fire agents in northern Idaho will now be serviced by the Spokane office. The area was formerly administered from Salt Lake City.





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FIRE





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A Kidde System goes into action at the first sign of fire—releases clouds of CO₂ over the blaze, smothers fire almost as soon as it starts. What's more, CO₂ leaves no mess to clean up after the fire.

Make sure that flammable liquids, dip tanks, spray booths are protected by a Kidde System.

Let Kidde guard record vaults, machinery and electrical equipment.

And for on-the-spot protection, nothing beats a Kidde port-

able. When fire strikes, anyone nearby just aims the horn, pulls the trigger, and swoosh! No more fire.

Find out more about complete Kidde protection. Write today.

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Fla. Assn. Backs New Legislation

Florida Assn. of Insurance Agents is recommending legislation which would change the agents' qualification law. Among the proposals are those which would strengthen countersignature requirements, state definitely that a licensed agent must be in each branch office, state that courses for study must be designated as classroom courses rather than just courses, eliminate reference to bail bond agents and travel ticket agents in the law since these are covered elsewhere in insurance statutes.

The agents reaffirmed their support of legislation establishing driver education in high schools.

On revisions of the financial responsibility law, the group has endorsed suggested amendments made by E. J. Gallagher of Assn. of Casualty & Surety Cos. These are to make the law apply equally to the registration plates and not merely to the driver's license; to make the law apply to all persons involved in the accident, removing the provision of fault. Also being considered is a provision which would make the law apply for a period of five years instead of one, except where there is an unpaid judgment, in which case the suspension would run for the period of the judgment; and to increase the present limits of 5/10/1 to 10/20/5.

The association is supporting legislation to preclude controlled companies owned and controlled by foreign governments and legislation to permit a fine for any person violating the fire rating law in cases not severe enough to revoke licenses.

Commercial Travelers Casualty of

Dallas has appointed John R. McGurty as agency organizer and R. Lynn, Covington, as administrative assistant.

Slate Three DISC Schools

Three new disability insurance sales course schools have been scheduled. Nebraska Assn. of A&H Underwriters will sponsor a course at the University of Nebraska, Lincoln, Feb. 10-20. Another will open Feb. 10 at the University of California at Los Angeles and will run through April 28. The third will be held at the University of Richmond, Virginia, April 18-20.

N. Y. Compensation Board to Mark 40th

New York Compensation Insurance Rating Board will observe its 40th anniversary Jan. 27 with a dinner in New York City. The annual meeting will be held that morning, with representatives of the 121 member companies.

The dinner program is being arranged by Henry D. Sayer, general manager of the board; George A. Die-rauf, treasurer; Robert J. Barr of Liberty Mutual; Thomas G. Gorman of the

state fund; Dean M. Parker of Travelers, and Joseph P. Craugh of Utica Mutual.

Attorneys Name Talbott

Graham W. Talbott, head of the claims department of Casualty Ins. Co. of California, has been elected president of Compensation Insurance Attorneys Assn. for 1955. A charter member of the association, Mr. Talbott has been trying compensation cases before the Industrial Accident Commission since 1941. He has been with the company since 1946.



has been added!

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operating as



Homer Bray Service

in

Washington, Oregon, Texas, Georgia, Alabama & Florida

The Universal Insurance Underwriters is merely a Managing General Agency, holding automatic quota share and excess treaties in a pool of stock companies, for writing certain hazardous line coverages. We write no direct business, but operate strictly through agents. We were organized in 1949, and have confined our writings more or less to States West of the Mississippi until recently. We are in a position to file in all 48 States, Canada and Alaska. Except for Massachusetts, we will consider agreements with local agents any place in the above territory. Retained limits \$100,000/300,000/100,000 on all lines except gasoline, butane and explosives. On gasoline and butane, \$50,000/100,000/50,000. We do not solicit local operations written by domestic companies, except for butane. We solicit long haul operations for B. I. & P. D., Medical Payments on:

M.C.I.	LONG HAUL	LLOYDS	HAUL AWAY	BUSSES	DRIVE AWAY
BUTANE	OIL FIELDS	PRODUCE	LIVE STOCK	GASOLINE	U-DRIVE-IT
AMMONIA	EXPLOSIVE HAULERS	PRODUCTS	HOUSE MOVERS	COMP. GEN.	GRAIN HAULERS

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MCKINNON'S VIEWS

Favors LUTC A&H Course if DISC Area Not Duplicated

International Assn. of A&H Underwriters cooperation with the planned Life Underwriters Training Council course in A&H is predicated on the new course covering some area other than basic training since that field is now being served by the disability insurance sales course, L. A. McKinnon, McKinnon & Mooney, Flint, Mich., president of IAAHU, declared in a statement this week.

"If the LUTC course duplicates DISC effort in the area of basic training for both life and other A&H men, then I would agree with R. L. McMillon in opposing entry of LUTC into the field," Mr. McKinnon stated.

Mr. McMillon, Business Men's Assurance, Abilene, Tex., chairman of the disability committee of National Assn. of Life Underwriters, has charged that a separate A&H course given by LUTC would tend to weaken IAAHU.

Mr. McKinnon said his statement was being made to clarify the impression created by two items of recent publicity. The first, he said, was public quotation of a statement from a letter from him to E. L. G. Zalinski, president of LUTC. In it, Mr. McKinnon stated there is room for two A&H courses. The second was an LUTC press release of saying plans for its new A&H course were going ahead "in an atmosphere of cooperation" between LUTC and IAAHU.

"These two pieces of publicity might create the impression that I am in approval of anything LUTC develops in the A&H training field," Mr. McKinnon explained. "Actually, I feel that the training need in A&H is so broad that more than one course is needed to cover all areas. However, I am firm in my conviction that DISC can and will cover the area of basic training for both life and other A&H men. Another course in this same area would be a wasteful duplication of effort; and since the need for A&H training is

so desperate, such a waste of effort would be little short of immoral."

Mr. McKinnon also expressed the opinion that the area of basic training can be better served by an A&H organization than by a life group. "The International has years of background in A&H, while the life associations are new to the field," he pointed out. "You wouldn't put a casualty man who sells a little life on the side to training a man new to the life insurance business; just so, it would seem illogical to put the basic training of a man in A&H in the hands of a life man who writes a little A&H on the side."

Any impression that the International and DISC are peculiarly "tailored" to the casualty and monoline A&H man is erroneous, Mr. McKinnon declared. "Much of the backbone of the International has always been life men whose companies have long been in the A&H field. DISC itself was put together under the direction of the late Bert Hedges, BMA, Wichita, whose ability and work in the life field was as greatly recognized as in A&H. The life men who have flocked to DISC courses all across the country and publicly stated their belief in its value is adequate indication that it is training for all men who write A&H; life, casualty, or monoline.

"In fact, basic A&H training administered by primarily life men might be dangerous. The life man new to the A&H business is unaware of many pitfalls foreseen only after acquiring the A&H background only IAAHU has to date.

"Most of all," Mr. McKinnon's statement continues, "life men need to come to the realization that A&H is the third leg of the income-protection stool, the leg without which the stool won't stand. As Carl Ernst (North American L. & C., St. Paul) pointed out in his statement about the new LUTC course, life men as a whole do not yet understand how much there is to learn about A&H. They can be brought to that understanding far quicker by a basic course with a background of long A&H experience.

"As long as LUTC plans to cover any area of A&H training other than the basic area, now being served by DISC, then my statement that there is a place for two courses stands, and I am sure the cooperation of IAAHU will be enthusiastic and sincere," Mr. McKinnon concluded.

"The International is primarily dedicated to strengthening the institution of A&H insurance. It would, I am certain, object to a duplication of effort in any training area because it would feel that such duplication would be a shameful waste of manpower so badly needed to keep up with the growing business."

Study Va. Qualification

W. H. Branch, G. M. Robertson and C. D. West Jr., local agents of Richmond, have been named members of a Virginia advisory legislative council subcommittee to study agency qualification and licensing. The subcommittee is to report its findings and recommendations to the governor and general assembly before next Dec. 1. Qualification requirements for agents except those in life, A&H and ocean marine may be tightened up as a result of the subcommittee's work.

Hosts Executive Staff

W. L. Nolen, U. S. manager of North British group was host to his head office executive staff at a luncheon New Years eve in New York City.

Insurers Must Tell Their Story to the Public, Spottke Says

Good performance by the insurance business, without an adequate public relations program, is not enough, Albert E. Spottke, vice-president of Allstate, told American Assn. of University Teachers of Insurance at its annual meeting at Detroit. Insurers must tell their story to the public.

Why the profit motive is the strongest guarantee of the best product and of better service at a fair price, and why compulsory is not the solution to the problems of the uninsured accident, are among the things a PR program would make clear, he said.

Opportunities abound for promoting good will and public acceptance and the business' shortcoming in this respect may be due to preoccupation with other important problems. Explanations to the public can be made at the point of sale and the point of service, but both parts should be handled with care.

Because the public responds immediately to any suggestion that the individual's accident record should be taken into account in determining his automobile insurance rates, the business must either come up with a workable merit rating scheme or employ public relations to tell why the idea is not feasible. The latter, he said, the public has not yet bought.

Through PR the need for the unconditional acceptance by licensing authorities of the proposition that only qualified operators should be allowed to drive should be made plain. This will set the stage for the acceptance of virtually all licensed drivers at a rate. In the meantime the reasons why every risk is not accepted should be made clear.

At the point of service the policyholder should be told what he has bought and what it will do for him. Financial responsibility laws should be explained, insured being told what he has done to protect himself and what the company will do in the event he is involved in an accident. It is necessary for insured to trigger the action here and the insurer should tell him so in unmistakable terms.

A PR effort should be directed toward showing insured that as private companies the business is doing a better job than could be done by any governmental agency. This can be accomplished by stressing the interest in insured, the companies' competency and their attention to business. If the companies fail, Mr. Spottke said, they will have no one to blame but themselves.

He cautioned that a wholesome attitude in claims-handling includes resisting payment of unwarranted or accommodation claims, which involve favoritism. Trying to pay legitimate and unreasonable claims at the same time is burning the candle at both ends. This is another area where much remains to be done to get insurers' story to the public.

Handling liability claims requires delicacy, he said. It is another area where better public understanding of what the companies can and cannot do is needed. The public must be made to see that the very nature of liability insurance may require a company to resist the demands of the claimant.

The business must also counter agitation for compulsory insurance. The public seems to look to compulsory

as the cure for the problems of uninsured motorist, climbing cost of coverage, inability of a claimant to collect because insured was not at fault, dissatisfaction with a claim settlement, and other grievances, real or fancied. Such dissatisfaction is seized upon by the uninformed and by some who should and do know better, as a springboard for urging compulsory. The business cannot deny that the automobile and its use represent a social problem and that the victims of accidents should have a means of recourse. It is up to insurers to devise construc-

tive measures which will close the gap without foisting upon all something which not only goes against the grain but in the long run will be detrimental to free enterprise. The educational aspects of this problem are gigantic.

Traffic and traffic safety should be tied together through public relations efforts of insurance companies, Mr. Spottke said. A greater acceptance by the highest state authorities of the importance of motor vehicle administrators must be gained. The job must no longer be relegated to the level of a political handout. The support of all

segments of business for traffic safety should be obtained.

There are 60 million cars on the highways today and 81 million expected by 1965. This means the total number of cars is 10 years ahead of expectations, at a time when the miles of improved highway facilities are 10 years behind. "As insurance companies," he said, "we have a responsibility, first to prevent accidents, second to keep the cost of insurance as low as possible."

This job can be done. It requires a lot of telling.



In great-grandfather's day, folks used to "hitch up" and call in person to wish friends and neighbors "A Happy New Year" 🕯️ We continue in the same friendly spirit and convey to all - old friends and new - our sincere wishes for good luck, good health and prosperity in the New Year.

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N. Y. Dept. Must List Callers Who Are Paid Fees for Their Work

NEW YORK—The public is now entitled to know who calls on the New York department in behalf of any person, company or association subject to its regulatory jurisdiction, if the representative is being paid a fee or retainer.

A section of the executive law enacted last year requires that the department, as a regulatory agency, shall keep a record of such appearances

which shall be open to the public.

Even an appearance on behalf of a person not already under the department's jurisdiction, such as making an application for a license, must be recorded.

Inquiries, in person, by telephone or by mail, seeking advice only, do not come within the statute, nor does it apply to the public, as in making a complaint involving a policy claim.

The statute applies only where a fee is paid or to be paid but not where the attorney is on the regular payroll of an employer for whom he appears.

Stiffer Unauthorized Insurer Regulations Urged for Michigan

LANSING—Specific recommendations for strengthening Michigan's insurance code to minimize the amount of coverage placed with unauthorized insurers and to protect buyers by requiring that such unauthorized insurers as are used be strong ones, are contained in a report filed by John B. Martin, auditor general.

Mr. Martin's staff has been conducting an investigation of the Michigan department's operations.

The auditor general agrees that the general principle behind the law permitting coverage in unlicensed companies where such risks cannot be covered by licensed companies is sound; but, he contends, "the law... by its own provisions as well as by its administration, contains a loophole as big as a barn door through which unlicensed companies may pass. If this loophole is not closed by amendment... it will make Michigan a happy hunting ground for the unlicensed and therefore unregulated company."

The wish is expressed that this loop-

hole be closed effectively "with the cooperation of the legislature, the department of insurance and the Michigan Assn. of Insurance Agents..."

A major recommendation is that licensed companies provide a "voluntary clearing house where, at a single source, a prompt determination can be made of whether the insurance can be placed with licensed companies."

It is noted that many cases were discovered in which agents either were late in filing affidavits for a permit to write unauthorized business "or had not filed them at all," and there were cases of "late payment or non-payment of tax on policies written in unlicensed companies."

In many cases, the auditors say, it appeared from agency records that "many affidavits are filed with the insurance department stating that the insurance is unobtainable in Michigan (licensed) companies which do not reflect the actual facts."

The present requirement that unauthorized insurers have at least \$100,000 in cash assets should be amended, it is contended, to provide that any unlicensed insurer used shall have been in existence for at least three years, shall have been examined and approved by its home department, and that "detailed nature of the company's assets and the identity and financial status of the company's reinsurers, if any, be available." It is further recommended that the law require a showing of solvency, rather than possession of assets which might be overbalanced by liabilities. This showing should be made periodically.

The commissioner also is urged to join in recommending legislative action to support the public policy of the state by forbidding use of the mails for mail order sales in those states like Michigan which prohibit company operations not meeting established standards.

Commissioner Navarre took a dim view of the Martin report, branding it—a political charge by a lame-duck office-holder. The commissioner, in support of his position, noted that Martin had made no attempt to conduct a comprehensive audit of the insurance department until the fall campaign period when the auditor general was seeking re-election. He noted that the report contained no substantiating evidence that the insurance department has not "properly remitted" all premium taxes due.

Change Sprinklered Risk Rating in New England

New England Fire Insurance Rating Assn. has changed its procedure concerning specific rates for risks equipped with automatic sprinklers. Effective Jan. 1, rates will be promulgated based upon the 80% coinsurance clause to bring about uniformity throughout the territory in rates for the class.

After the promulgation of the 80% specific rates, the usual credits for higher percentages of coinsurance are applicable as provided under manual rule 13. Revised blanket rates for property affected will be published as soon as possible. Until then, present rates will apply.

Employers Casualty of Dallas is opening a northwest claims office for the Washington, Oregon and Idaho field. John J. Mill Jr. has been transferred from Pasadena, where he has been an adjuster for six years, to take charge of the new office in Seattle.

Albert E. Mezey, president, and all other officers of New York City Insurance Agents Assn. were reelected at the January meeting.

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New Indiana Insurer to Specialize in Transportation Risks

Insurance Corp. of America, a stock casualty company with home offices at Indianapolis, has been licensed by the Indiana department.

The new insurer will specialize in transportation risks—trucks, busses and some taxi cab business—with an authorized capital of \$750,000, of which the first issue of \$500,000 is presently being sold. The company will begin business with \$350,000 surplus, and expects to commence operations about March 1.

Mark Kroll of Cincinnati is president of Ins. Corp. of America. He is also president of the Wilmark agency of Cincinnati, Agency Corp. of America of Cincinnati and Surety Underwriters, Inc. of Cincinnati.

Samuel H. Levinson is secretary-treasurer of Ins. Corp. of America and is vice-president of the three Cincinnati agencies. The vice-presidents of the new insurer are M. J. Trautenberg (agencies) and Herbert Weinberg (underwriting). Both have the same position with the Cincinnati agencies.

Insurance Agency Corp. of Cincinnati has been specializing in transportation risks since 1947, originally as a department of the Wilmark agency and later as a corporate entity.

Diggs Joins Pan American as V-P and Fire Manager

T. O. Diggs has been appointed vice-president and manager of the fire department of Pan American Fire & Casualty and Pan American of Houston.

Mr. Diggs has been with Republic of Dallas and Employers Casualty in the fire underwriting department, and more recently has been with Insurers Indemnity of Tulsa as fire department manager.

U.S.F. & G. Names Healy as Marine Superintendent

John D. Healy, assistant superintendent, has been appointed superintendent of the marine department of U. S. F. & G. to succeed Joseph F. Danaher, who died Dec. 31. William K. McCardell, who continues as assistant superintendent of the department, will have broadened responsibilities.

Mr. Healy's entire business career has been in fire and marine underwriting. He joined U. S. F. & G. in 1941 and, after advancing through various underwriting assignments, became chief underwriter of the western fire division. He was transferred to the marine department in 1951 and appointed assistant superintendent the following year. He is a law graduate of the University of Baltimore.

Mr. McCardell joined the automobile department of U. S. F. & G. in 1946. After assignments in the fire and marine departments he was advanced in 1952 to assistant superintendent of the marine department (eastern and southern division).

New Seattle General Agency

Formation of a new general agency to be known as National Agencies, Inc., has been announced by Ralph C. Lewis, executive vice-president of Rainier National. The new concern will operate as the wholly owned general agency affiliate of the Rainier National and will represent several companies for fire and allied lines.

National Agencies has been made general agents in Washington for the New York Fire (Commerce Underwriters) of Corroon & Reynolds, and Westchester (Washington Fire Office) of Crum & Forster. In Oregon, Na-

tional Agencies will represent the New York Fire (Commerce Underwriters) and the Western Assurance of Crum & Forster.

At the outset, National Agencies will write fire lines, but later will add casualty.

Eaton Promoted by Agency

Edward C. Eaton 3rd, former field man of Travelers in Newark, Hartford and Richmond, has been named assistant secretary of J. Watson Beach local agency at Hartford. He joined the agency in 1951.

Partch, Chilcote Are Named on Coast by Royal-Liverpool

Fred N. Partch has been promoted to assistant manager of the fire underwriting department of Royal-Liverpool on the Pacific Coast. John D. Chilcote has been elevated to superintendent of the fire protection department.

Mr. Partch graduated in 1931 from the insurance school of Northwestern University. He was an industrial fire protection engineer until joining

Royal-Liverpool in 1942 as special representative of the improved risk department at Los Angeles. In 1950 he was transferred to San Francisco as superintendent of the fire protection department.

Mr. Chilcote, succeeding Mr. Partch, joined the fire protection department in 1951. He graduated from the University of California and had service with Pacific Fire Rating Bureau.

Harvey Wells, local agent at Portland, has retired for health reasons. He has also resigned as a state legislator.

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We started the Airkem treatment about 20 hours after the time when the fire broke out.

After the airing on the following day there was no smoke odour in the upper two floors. In the cellar where some goods were stocked a slight smoke odour was still to be smelled but this was completely eliminated after the second treatment.

The adjuster estimates the savings at about £ 35,000. The people of Sweden are extremely interested in the fine public service we have been able to perform in this as well as other matters. We are indeed grateful to the Airkem Company for passing on to us your valuable experiences during the past five years.

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Cal. Agents Retain Law Firm to Explore Discriminatory Section of Insurance Code

California Assn. of Insurance Agents has retained the San Francisco law firm of Wallace, Garrison, Norton & Ray "to explore every possible means to determine the scope and effectiveness of those provisions of the California insurance code which prohibit unfair discrimination. In our opinion, the California rate regulatory law has

never been tested. We believe certain recent developments in the fire insurance business call for further exploration of the law."

Despite rumors now prevalent, the association has not up to this time considered any change in the rating law. President Paul Wolcott, Jr., said such action would not even be initiated unless and until the association was satisfied that the present law proved to be so ineffective as to lead to "instability and chaos" within the insurance industry.

George O. Johnson, chairman of the association's special committee on fire protection standards, stressed that the association is interested only in interpretations and principles. The fact that this action has grown out of the "North America Case" has now become secondary in importance to the fundamental principles involved, he said.

Zimmermann Delivering Lectures in Brooklyn

A series of lectures on fidelity and surety bonds will be delivered at Brooklyn (N. Y.) College by Peter A. Zimmermann, assistant secretary of Surety Assn. of America. The lectures are part of the college's insurance course in its divisional vocational studies of the school of general studies.

The present semester of the course started last September, and embraces all phases of casualty. The fidelity and surety lectures will be given early in January, prior to the conclusion of the current course. Mr. Zimmermann also lectures on the same subjects at the school of insurance of Insurance Society of New York before broker and agent classes.

Gaines Resigns as Senior Attorney of N. Y. Dept.

Sidney Gaines, senior attorney in the New York insurance department, has resigned. He will return to private law practice at 1775 Broadway, New York City. Mr. Gaines joined the department in 1946 as a junior attorney. He served as chief counsel to the department's welfare investigation, supervising the special staff and participating in presentation of the cases at public hearings.

Royal-Liverpool Loss Prevention Realigned, PHD Losses in R. I. to Staff

Royal-Liverpool has realigned operation of its loss prevention and engineering department along territorial lines and has assigned handling of physical damage losses in Rhode Island to staff adjusters in the Providence office.

A supervising engineer has been named for each of five areas while planning, policy-making and over-all administrative control of the loss prevention and engineering department will continue to be located at New York, under the direction of E. R. Grannis. T. F. Whalen has been named superintendent for the eastern states, W. C. Crager for metropolitan New York City, J. H. Meikle for the southern states, J. P. Stokes for the western territory and J. F. Rivers for the Pacific states.

The Providence staff adjusters are under the supervision of George F. Johnson, claims manager. Heretofore, PHD losses had been handled by independent adjusters working through the Boston office.

New Executive Lineup of Poulsen Enterprises

TOLEDO—Reassignment of executive responsibilities of G. H. Poulsen & Co. and its subsidiaries has been made following the death recently of George H. Poulsen, who headed the enterprises.

J. George Dillon of Chicago will be president of G. H. Poulsen & Co. agency corporations in Illinois, Wisconsin and Indiana. He will continue his headquarters at Chicago and will direct agency activities in the midwest.

R. A. Schneider of Toledo will be secretary and general counsel for all Poulsen enterprises. G. J. Koehler will be president and active manager of G. H. Poulsen & Co. agency of Toledo, and D. W. Young becomes vice-president and general controller for all Poulsen enterprises.

Mr. Schneider has been elected president of Poulsen Ins. Co. of America, Chicago. Other new officers of the insurer are Roy W. Holland, executive vice-president and general manager; P. W. Raeske, secretary; Frank J. Bartsch, Mr. Dillon and Mr. Taylor, vice-presidents, and Mr. Young, vice-president and treasurer.

The executive committee of the Poulsen organizations, which was set up by George Poulsen two years ago, during that time had taken over almost all functions of management and planning and will continue those activities. The committee is composed of Mr. Taylor as chairman, Mr. Schneider, Mr. Young, Mr. Dillon and Mr. Raeske. The assignment of executive responsibilities was made by the advisory committee of G. H. Poulsen & Co., which is headed by C. Irving Poulsen, a brother of George Poulsen.

Irving Poulsen said the executive committee will continue operation of Sound Electronics Laboratories of Toledo under the direction of Mr. Schneider and the management of George H. Eash. He added the executive committee was negotiating the sale of two divisions, Hack Swain Productions of Sarasota, Fla., makers of television movies, and tape recordings, and Carey Advertising Agency of Sarasota.

Long Island Brokers Elect

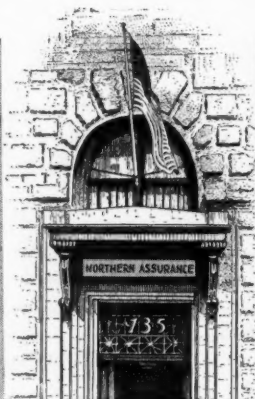
New officers of Long Island Brokers Assn., are Pat A. Simone, president; A. J. J. Holzinger and Albert G. Kemp, vice-presidents; Adolph J. Gretschel, treasurer; Gus Schweitzer, secretary; and John J. Musarra, John E. Brennan, Siegfried P. Brusack, James H. Gaffney, James Maniello, Fred A. Ritti and Arthur Goldberg, board of governors. All are of Long Island City, N. Y.

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COMMENTS - TRENDS - OBSERVATIONS

Sees Broad Forms in Personal, Commercial Fields Making Headway

Robert E. Battles of R. A. Rowan & Co., Los Angeles, member of the executive committee of National Assn. of Insurance Agents, calls attention to the fact that the broad form of personal property insurance and the broad form of dwelling building insurance will continue to make great headway in the mercantile and manufacturing fields. Such developments are inevitable in the course of progress and should be applauded by all segments of the business. Everyone in insurance, however, has a definite and serious responsibility to see to it that these developments are brought about with honesty of purpose and not with mere rate chiseling subterfuges.

In his own agency, which he believes to be typical, there is only one company which is not presently writing commercial block policy. These block policies are freely written for retail merchants, wholesalers, distributors, servicing risks of a great many manufacturers. Similar policies are written

for doctors and all types of general office risks.

The confusion that attended the very early developments in these coverages is disappearing rapidly, he states. He believes that such broadened contracts definitely are in sight for the very near future in practically all fields of insurance, and it will be a better day for the business as a whole when this has been accomplished.

Of all persons in the insurance business, the producer is outstandingly best qualified to speak authoritatively on the question of multiple line underwriting, Mr. Battles believes. This is simply because the producer has been a multiple line underwriter from the very day he entered the business. Indeed, it is the very essence of the function of a producer to assemble a collection of separate coverages and to combine them into a single protection

program for his clients. In this manner the producer is by instinct and training a multiple line man, and his experience and clinical observations give him the best possible training in the practical requirement of the public for comprehensive insurance programs.

Mr. Battles believes that true progress can be served only with the abandonment of such out-moded classifications as "fire insurance", "casualty insurance", and "marine insurance", etc. Such divisions of fields within the business as may be necessary should be made from the point of view of the insurance company.

From the point of view of insured, there are two principal categories of insurance. (1) protection against loss of or damage to his own property, and (2) protection against the effects of

the liability imposed upon him by law for loss or damage of property or person of others.

Agent Proves Sales Point

Philip Feldmesser, Irvington, N. J., local agent, proved his point about fire prevention when he stored a box of fire prevention pamphlets, which warned about spontaneous combustion, in his basement. The pamphlets caught fire, apparently from spontaneous combustion. Damage was slight, however, because a fire detection alarm alerted him and he doused the flames with water.

Mrs. Jackson's Estate \$863,000

An estate of \$863,000 was left by Mrs. Alice Dean Jackson, mother of A. B. Jackson, president of St. Paul Fire & Marine.

Chain Saws Covered With 12 Months Free Insurance

Mall Tool Co., on Feb. 1 will offer to purchasers of its chain saws a free insurance policy covering damage to the equipment from fire, lightning, wind, cyclone, tornado, hail, strikes, riot, civil commotion, explosion, falling aircraft, flood, collision, or overturn or derailment of the conveying vehicle during transit. Loss by theft and damage from falling trees and/or limbs are also covered under a \$25 deductible. Coverage is for one year.

The purchaser pays nothing additional for the coverage, but does fill out a card and mail it to the insurance company within 10 days after the purchase.

Mall Tool Co. at this point is not disclosing the name of the insurer, even though it will obviously be known within a few weeks as the postcards, packaged with their tools, are in the hands of buyers.

\$62,000 Shortage in Maryland Bank Records

A shortage of \$62,000 has been uncovered through an audit of Citizens National bank of Havre de Grace, Md. The FBI is conducting an investigation of discrepancies in the records.

The insurer is U.S.F.&G., which has received information of a suspected shortage, but has not received a claim, according to Alexander Rossman, claims manager. He said U.S.F.&G. had sent a representative to the bank, but that the FBI had asked the company to hold up its independent check until the FBI investigation progressed further.

Charles L. Minker, president of the bank, said that the discrepancies had been turned up by a Baltimore auditing firm the bank had hired early in December.



Five views of America Fore's remodeled home office building at 80 Maiden Lane, New York City. Completion of four years of work on the 43-year-old 26-story building was marked last week by a family day during which the 2,600 employees en-

tertained families and friends. The work, including installation of air conditioning throughout, was done without any serious interruption of normal business operations. The lobby, one of the remodeled floors, and the company-operated cafeteria are shown.

There also are an employee lounge, game and reading room, movie projection room, and a large classroom. Other features are silent construction office furniture, fluorescent lighting throughout and 12 electronically-controlled elevators.

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Crum & Forster Opens Inland Marine Unit in Western Department

An inland marine department has been opened in the western department of Crum & Forster at Freeport, Ill., with Frank B. Long as manager. He has been with Automobile of Hartford and Fireman's Fund for many years.

The department will enable agents to place inland marine business direct with the western department of Crum & Forster.

Maryland Casualty Promotes Brown

Raymond N. Brown, treasurer of Maryland Casualty since 1943, has been elected vice-president and treasurer of the company. He joined the company in 1909 as a bookkeeper in the auditing division. In 1910 he was promoted to assistant cashier and six years later was named cashier. In 1918 he became assistant treasurer and held that post for 25 years.

In addition to his previous responsibilities, Mr. Brown will be in charge of the investment division.



R. N. Brown

N. C. Agents State Position on Approaching Legislation

North Carolina Assn. of Insurance Agents has voted to support legislation next year to require non-resident agents to post a \$1,000 bond for one year to put a stop to "fly-by-nighters" who use their licenses for a short time for a special solicitation and then leave the state.

"This kind of agent," the association said, "has caused trouble for both the department and legitimate agents."

The agents also promised support for a proposal to give the insurance commissioner power to fine a company or agent for violation of insurance statutes. The commissioner can suspend a company or an agent's license, but suspension, the agents said, is a drastic procedure that works a hardship on both the public and the agents and a less harsh penalty often would be as effective.

The association, though doubtful that legislation will be introduced to make the commissioner's post an appointive rather than an elective one, said it would oppose such a proposal if it is submitted.

Interstate Indem. to Issue Stock

Interstate Indemnity of Los Angeles has been granted a permit to issue 14,500 shares of its \$20 par value stock, of which 9,500 shares will be issued to Markel Service in exchange for 15,000 shares of Markel's \$10 par and all series A certificates of contribution

with a total value of \$80,000, and 5,000 shares to be issued to Markel Service of Canada in exchange for all series B contribution certificates totaling \$200,000.

Western Adjustment Raises Hocker, Hastings

W. S. Hocker, Kansas City, Mo., and M. W. Hastings, Milwaukee, have been appointed regional supervisors for Western Adjustment, succeeding R. E. Glass and O. C. Heiam, both of whom retired Jan. 1.

Mr. Hocker started his career at Kansas City with Western in 1936. He later served at Springfield, Mo., Quincy, Ill., and returned again to Kansas City in 1952 as branch manager. He now will supervise western Missouri and three eastern Kansas offices.

Mr. Hastings joined Western at Minneapolis in 1936, subsequently serving in the Wisconsin field at Eau Claire and Fond du Lac. He was later transferred to Evansville, Ind., and served as manager there. Last August he was appointed manager at Milwaukee. He now will supervise the entire state of Wisconsin and the Upper Peninsula of Michigan.

Settlement with Other Party Voids PHD Cover

Release of the other party to an automobile accident was held to void automobile physical damage insurance by Springfield (Mo.) court of appeals in Richardson vs. Employers Mutual Liability of Wisconsin, 4 C.C.H. (Auto 2nd.) 1489. This holding is decidedly within the understanding of most insurance men, but the point has not been involved in many cases recently.

The insured was driving a new Cadillac which was wrecked, apparently by an intoxicated driver. Although he claimed that the automobile had been damaged to the extent of \$1,300, he settled with the other party for \$754 and gave him a release. He sold the automobile and then made a claim against Employers Mutual for about \$500, which he claimed was his net loss.

An interesting feature of the case is that the insured claimed he did not know he had insurance at the time he made the settlement. Although the policy had been in effect about 60 days, the insured said he realized he had insurance only when he got a bill for the premium later. This did not seem to impress the appeals court, which reversed a lower court judgment in favor of the insured and held that settling directly with the third party destroyed the insurer's right of subrogation and consequently destroyed his own rights to recover from the insurer.

Philips to Speak at D. C.

Harold K. Philips, manager of the public relations department of Assn. of Casualty & Surety Cos., will be guest speaker at the Jan. 14 meeting of District of Columbia Assn. of Insurance agents. He will discuss the advance publicity program and other details of the new D. C. financial responsibility act which goes into effect in the spring.

Frank Pfiffner Retires

Frank J. Pfiffner, home office claims auditor for Hardware Mutuals of Stevens Point, Wis., is retiring after 38 years with the companies.

Newly elected state officers were guests Jan. 5 at the Michigan department offices, where Commissioner Navarre showed his guests how the department functions.

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Gillooly, Insurers Discuss Legislation

Commissioner Gillooly of West Virginia held a conference with representatives of insurance companies to discuss proposed insurance measures he will submit to the legislature at this session.

Among the legislation are proposals which would empower the commissioner to increase statutory fees for services to insurance to provide a more adequate budget for the department, would create uniform accident and health provisions, and one which would give the department power to prevent coercion, misrepresentation and false advertising by insurers and their agents. The latter is along the national trend to strengthen state insurance powers to keep the federal government out of the picture.

He will also ask for an amendment to the all industries bill to make it applicable to fire insurance rating organizations.

The meeting, first of its kind in the state, was designed to get the impressions of insurance companies on the legislation. Mr. Gillooly said that the companies agreed with the proposals generally, but there was some disagreement in details.

Grover Offers High Limit Travel Accident Policy

G. Shannon Grover & Co. of Chicago, who are U. S. general agents for A&H for Employers Mutual Casualty of Des Moines, are having a good response to the new single indemnity accident policy of Employers Mutual, which pays up to \$100,000.

Coverage is for accidental death or dismemberment while the insured is driving or a passenger in an automobile anywhere in the world, or is a passenger in any licensed aircraft, domestic or foreign, that is privately or company owned, scheduled or non-scheduled or chartered, or is a passenger on a common carrier anywhere in the world. For \$100 annual premium, there is provided a \$100,000 death benefit, or a \$100,000 benefit for permanent total loss of sight of both eyes or loss of two limbs or loss of sight of one eye or loss of one limb. Coverage is also available in amounts of \$75,000 at a premium of \$75; \$50,000 at \$50, and \$25,000 at \$25.

New Factory Assn. Home

Factory Insurance Association will acquire on a rental basis a new \$2 million building to be built at Hartford on the corner of Woodland street and Asylum avenue. It will be the new home of FIA, replacing the present one at 555 Asylum avenue, which it has had for 20 years. Groundbreaking will take place Jan. 15 and construction is expected to be completed by the end of 1955.

The three-story structure will include a meeting room for the board, a laboratory for the demonstration of fire extinguishing equipment and a cafeteria. A parking space will accommodate 200 cars. The Hartford home office employs 300, who will work in 20,000 more square feet of space than at present.

Auto Theft Bureau to Meet

National Automobile Theft Bureau, at its annual meeting Jan. 21 in the offices of the New York board, will elect a treasurer and two representatives at large on the governing board. The board's annual report will be presented.

Temperance Exchange Organized

Temperance Insurance Exchange of Walla Walla, which has been in the

process of organization for two years, has completed the sale of \$1 million worth of stock and will commence writing fire and casualty business.

Caledonian Pays Bonus

Caledonian is paying this month the first half of a 10% of salary bonus to its employees throughout the world. The second 5% will be paid in July. The bonus marks the company's 150th anniversary. Among the employees in this country receiving payments are 165 in the U.S. branch office at Hartford.

Stipulates Bonds for St. Lawrence Seaway

Army engineers, in announcing for bids for excavation of parts of the St. Lawrence seaway, has issued regulations for payment and performance bonds to support contracts to be let. The penal sum of the payment bond will be, when the contract price is \$1 million or less, 50% of the contract price; or when the contract price is in excess of \$1 million, but not more than \$5 million, 40% of the contract price. The penal sum of the performance

bond will be 50% of the contract price. A bid bond in the penal sum of 20% of the bid price will also be required to support quotations received.

Bids for the work will be opened on or about Feb. 3, and the work must be completed by Jan. 1, 1956. If the contractor fails to complete the work by that time or within extensions given, the contractor must pay the government \$500 per day of delay.

The Hillsboro, Ore., agency of Griffith & Meeke is being changed to John E. Meeke & Co. and the agency is moving to new offices at 351 E. Main street.

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ALL CLASSES OF OCEAN AND INLAND MARINE INSURANCE

Quirk Retires as V-P of Aetna Fire Group

George G. Quirk, vice-president of Aetna Fire group has retired to the reserve force. He entered insurance in the New York office of Automobile in 1921 and was special agent, superintendent of agents and manager of the marine department before he joined Aetna in 1928.

He was elected assistant secretary of Aetna's marine department in 1928 and marine secretary in 1930. He became secretary of all fire companies in 1934, and vice-president in 1943.

He has been in charge of inland marine business since 1928 and in 1948 became supervisor of ocean marine business. In 1951, he was elected vice-president of all companies of the group.

He had served on many industry groups. In inland marine he was

chairman of the executive committee of Inland Marine Underwriters Assn., and on the executive committee of Inland Marine Insurance Bureau. He was also on the joint committee on interpretation and complaint under the old marine definition.

In ocean marine, he has been a director of American Institute of Marine Underwriters, American Marine Hull Syndicate, Builders' Risk Syndicate, Great Lakes Hull Syndicate, Tug Boat Syndicate and U. S. Salvage Assn. He was also on the board of managers of American Marine Insurance Clearing House.

The Sioux Falls office of *Anchor Casualty and Queen City* has had its territory expanded to cover all of southwestern Minnesota south of Marshall and west of Worthington. The office handles both claims and underwriting.

Fifth of Welfare Funds Abused, Says Bohlinger

(CONTINUED FROM PAGE 7)

payrolls of the welfare fund or its agent or broker, resulting in waste and inviting collusive activities. In some instances required contributions were not collected from employers so that money was not available for benefits, and evidence of fund assets, such as automobiles, held by union officials in their individual names rather than in their representative capacities.

There were provisions in some plans, and in acts committed, that were not in the best interests of the beneficiaries. There were instances of trustees being given powers by trust agreements, which exceeded the limitations imposed by custom and prudence, excessive restrictions on eligibility of members to participate in welfare and benefit funds, and excessive charges to members for expenses of handling vacation funds contributed by employers and credited to a member's account.

Discrimination was shown in the extension of larger benefits to union and welfare fund officials than those granted to general membership.

Kickbacks to union and fund officials were evident in the periodic checks found payable to "cash" amounting to an exact percentage of premiums paid by the funds involved, salary payments to fund and union officials and their relatives and gifts to


fund officials.

It was found that, on the whole, operating expenses of union welfare funds were less than 10% of contributions received. About 75%, accounting for more than 90% of contributions, had operating expenses that fell below 10%. At the other extreme were the plans with expense rates exceeding 10%, accounting for 25% of all plans and 10% of contributions. Excessive operating costs were the exception. High expenses were incurred with such frequency as to warrant concern that monies intended for the benefit of working men and women were being dissipated. This conclusion paralleled that developed by the field investigations of individual welfare plans.

Named Chief Examiner in Mass.

George L. Harvey has been named chief examiner of the Massachusetts insurance department. He has been with the examining staff since 1929, became senior examiner in 1938 and was named principal examiner in 1949. He succeeds Arthur J. Roche, who has retired.

United Pacific Ins. Co. has moved into its newly completed half million dollar addition in Tacoma, Wash. The company which originally had its home office in Seattle, bought the Medical Arts building in Tacoma in 1941. The new structure is five stories tall.



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NYFIRE. Allstate Spar at Fire Rate Cut Hearing

(CONTINUED FROM PAGE 1)

ness or propriety of the rulings of the department in connection with the department's action on such filings. That, he contended, is the meaning of sections 186 (3a). The law is clear, he declared, that the rating organization and the companies belonging to it are not aggrieved as that term is defined in the statutes. He cited cases from New York and elsewhere bearing on the right of hearing and the licensing procedure. An Illinois court in one case ruled that a mere economic loss under a competitive relationship did not make a company an aggrieved person. In a New York case the court pointed out that the economic interests of the existing licensees in an industry does not give them the right to be heard before the entry of others into that industry.

A direct physical effect or interference is different, the court held, viz., the granting of an additional broadcasting license.

In the North America case, Mr. Moser said, there was involved a question of property rights. That might have constituted the physical taking or appropriation of property, giving the rating bureau the standing of an aggrieved person, but that question is not involved with Allstate. He said that in the licensing process the courts have held that competitors and trade associations are not entitled to be heard. A policyholder affected by a filing that may be discriminatory or excessive could be an aggrieved person, but not a competitor. Here there is not even a competitor but a rating organization. How can it be hurt? he asked. The companies which have joined with NYFIRE in a "me too" action are in no better position than the rating bureau, he declared.

Mr. Kaplan in reply noted that in the North America case a similar motion to dismiss had been presented and that the hearing officer, Joseph F. Murphy, then deputy superintendent, had denied it. He contended that the cases Mr. Moser cited were not in point because they came under sections of law which do not provide for hearing and the right of review. He said he could not see how the granting of a reduced fire insurance rate would interfere physically with anyone, and on that basis there never would be an aggrievement.

Mr. Kaplan said there has been a consistent broadening of the concept of an aggrieved person by the courts. NYFIRE companies are threatened with financial loss resulting from administrative action. There has been an immediate and direct effect. Who can be more aggrieved?

The department here is dealing with an undue competitive advantage. The department approved rates for NYFIRE in the dwelling field, and these rates are mandatory on its members and subscribers. The department then gives to one or two other companies the legal right to sell the same commodity at lower rates. There is thus provided an opportunity for these other companies to raid the business of NYFIRE companies.

Mr. Harris pointed out that in the North America hearing the matter of adequacy of rate was excluded. Mr. Kaplan replied that in March, 1954, Mr. Murphy wrote Mr. Kaplan saying that the department would entertain an application for a hearing on the question whether the filing by North America meets the standards of the

rating law. (It has been consistently contended by NYFIRE that its companies are held to the standards of the act and to rates filed under it and North America and Allstate are not.)

Mr. Harris replied that Mr. Murphy's decision does not constitute a precedent ruling on the motion to dismiss. Mr. Kaplan said that whether it does or not, NYFIRE companies basically are entitled to a hearing.

At this point Mr. Butler said that section 186 (3) states that if the application is made in good faith and if

the grounds for a hearing are otherwise justified, the superintendent shall call a hearing. He said the effort of NYFIRE is to get the issues raised by the North America and Allstate filings reviewed by the superintendent and the courts with an opinion instructive to all. It is inconceivable, he declared, that the department would not hear NYFIRE. That organization represents the fire insurance industry except for North America, Allstate and certain others. There is involved here a public interest of grave concern.

Certainly the department would want to hear what the fire insurance business has to say.

If the department grants this hearing Mr. Moser said, it in effect subjects every independent company to an impossible situation. The petitioning companies can take the independent to hearing in 48 states, and there will be no time left to sell insurance.

Mr. Kaplan put on the witness stand H. Sumner Stanley, general manager of NYFIRE, to show what NYFIRE

(CONTINUED ON NEXT PAGE)

field memo

"My name is Aaron A. Aabadaan"

AG-EMPIRE
Watertown, N. Y.

Dear Folks,

A few weeks ago agent Jay Stewart and I were sitting in his office discussing characters. You know, what makes a guy a character...are characters really crazy - stuff like that.

All of a sudden the door opened and in walked a pudgy-looking gentleman of about fifty. "My name is Aaron A. Aabadaan," he said. "I want to buy some up-to-date insurance on my house."

"Fine," Stewart said; he promptly shoved aside the new policy forms I'd been helping him with and invited Mr. Aabadaan to sit down.

"And just what did you have in mind, sir?" asked Stewart.

"Well, frankly, I'd like something that begins with an A."

Jay and I exchanged amused glances - we had found us a real character! "Well, how about Ag?" I put in.

"Fine. I'll take it." Suddenly, Aabadaan burst out laughing. "Don't worry, gentlemen, I am not off my rocker. You see, I, Aaron A. Aabadaan, have dedicated my whole life to the letter A. My name has eight A's in it...my wife's name is Agatha... I live in -"

"Albany?" said Stewart and I together.

"Right!"

"You drive an Austin...burn Amoco gas...own an Admiral TV...root for the Athletics -"

"Right," triumphantly.

We said no more. It was very easy to see why Aaron A. Aabadaan was happy to buy Ag insurance!

The Ag-Empire Man

P.S.

After Aabadaan had left, Stewart said, "Imagine—buying insurance because it matches your initials! Me, I can give you good sound reasons why I sell Ag. One, their service to agents; Two, their loss paying record; Three... "I didn't stop him—it was all music to my ears!"

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(CONTINUED FROM PRECEDING PAGE)
is and the relations to it of the companies that joined with it in this action. Mr. Moser objected that there is no mystery as to what the organization is and the companies that are members of it. Mr. Kaplan said that there is no question that Mr. Moser knows that and he knows it, but the record does not know it, and the court has to have a record if it is going to review the case.

At another point Mr. Kaplan said that if the tenor of this administrative proceeding is to be held up by every technical device, he wanted to know it. Mr. Moser replied that that is exactly what the tenor of the hearing is going to be, that he was going to be just as technical as Mr. Kaplan had been in making the application.

Mr. Kaplan developed testimony that the new rates on dwellings approved by the department for NYFIRO went into effect Sept. 13, and fire and EC rates at 20% less were approved for Allstate effective Sept. 21. Thus the department approved a 20% reduction in rates almost immediately after it had approved revised dwelling rates for NYFIRO, which NYFIRO companies were bound to charge.

Mr. Moser said that if North America's contention that it is entitled to a partial subscribership is correct, then all members of NYFIRO can withdraw from it for the dwelling classes and charge any rates they can justify, and presumably have those rates approved by the department. He directed this question to Mr. Stanley, but Mr. Kaplan objected that this is a question of law which is before the court of appeals. The question was withdrawn.

When Mr. Kaplan asked to amend the application for hearing to bring in the question of violation of property rights under section 278, Mr. Moser replied that a hearing under that section, which relates to fair trade practices, is an entirely new element, and he objected.

Mr. Kaplan said he believed it was in the interest of all to get a determination of the grave issues involved in the Allstate matter. Yet NYFIRO has been met repeatedly by the question of whether these issues are being reviewed. He said he believed the department is charged with a public duty to hear the issues and to determine them. Allstate is capturing the business of its competitors. Everything has been done to continue Allstate in that position. He said he believed that NYFIRO is entitled under the law to bring in additional reasons for asking a hearing.

Mr. Harris replied that this would enlarge the proceedings beyond that contemplated.

Mr. Moser said that because Mr.

Kaplan assumes that an unfair trade practice exists does not make it so. Mr. Kaplan pointed out that the courts in the North America case might finally determine that NYFIRO had not exhausted its administrative remedy and therefore the issue ought to be considered at the hearing.

Mr. Harris said he believed the superintendent has to conclude that there is an unfair trade practice before he calls a hearing on that issue.

However, Mr. Kaplan countered that if the superintendent is going to hold that view then the statutes are meaningless. He contended that if NYFIRO charges Allstate with appropriating NYFIRO companies' property without their consent, and is ready to prove it, that is enough to produce a hearing. Mr. Harris said then anyone can come in and ask for a hearing, and he thought NYFIRO would have to make an independent petition on the fair trade question.

After Mr. Harris said he would deny the motion to suspend the Allstate rates on the theory that the statute said he must, Mr. Kaplan asked if he would grant the motion as a discretionary matter. Mr. Harris asked for what reasons. For more than 40 years rates on dwelling classes had been uniform in the state because they were required by law to be so, Mr. Kaplan obliged. The department by approving rate reductions of North America and Allstate has created an impossible competitive advantage for those two companies. At the same time the department has frozen the rates for NYFIRO companies. Yet it has permitted a company that never has done so before to sell the standard fire policy at a reduced rate. The department is responsible for the situation, he declared.

Mr. Kaplan asked if rates should be made on the basis of individual company's expense percentages? For each company to make its own rates is not in the interests of the public any more than is an open competitive situation.

NYFIRO has asked for a hearing and has been told it has no right to be heard on some of these issues. NYFIRO companies have to stand by while their business is raided. This violates their constitutional rights. A stay would protect the rights of the companies until the courts can pass on the merits of these issues.

Mr. Moser said Mr. Kaplan seemed to be arguing for the right of a company never to be undersold. He wondered if NYFIRO companies had forgotten there was an SEUA case and that the Supreme Court held in that case that what had been done for 40 years, "the channeling of business and the restricting of it to those in the trust," is illegal? Congress gave this group of companies the right to con-

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continue to make rates in concert—but conditioned on states regulating insurance in a way that permitted price competition.

If the rating act means what Mr. Kaplan contends what it means, uniformity, Mr. Moser is ready to conceive of no more insane way for the legislature to say so than it does in the rating law. Discrimination, he said, means that no individual company can discriminate unfairly among its policyholder of the same class, it was never intended to mean uniformity between companies.

Casualty rating has never been construed in this insane way, he declared. It hasn't gone to pot because it has different prices. If it had been, 400,000 Allstate automobile insured in New York state would not have had the benefit of a 20% rate reduction all these years. That didn't put the National Bureau or Mutual Bureau out of business. He said he wondered if Mr. Kaplan himself really believes that the fact Allstate can prove it can write for less because of a low expense factor violates the equal protection of the law.

NYFIRO companies are not bound to charge the rates they do unless they want to. If they have an expense factor that is lower and file lower rates, they can compete with Allstate. If they do, Allstate will never complain. If they don't want to, they shouldn't blame the department.

It is indecent for a lawyer to say that the department has perpetrated a fraud on the state when all it has done is to construe the statutes as they ought to be construed, he declared.

He said it was shameful of Mr. Kaplan to say that his clients are prejudiced by the actions of the department and that the department ought to disqualify itself and wait for a new superintendent in New York.

The process that Allstate is attempting to engender in New York would squeeze out the small insurer, Mr.

Kaplan contended. Allstate says what it has done is in the public interest, but it really is the interest of Allstate.

In the SEUA case only a question of law went to the Supreme Court. Mr. Moser, he declared, has no right to indict the companies in the case "as if they were not with society at that time." As to the charge that NYFIRO is trying to live in ancient history, Mr. Kaplan said that was incorrect, that the 1948 report of the legislative committee that worked on the amendments to the New York law stated that the amendments are based on a continuance of New York's philosophy of rate making and regulation. No one needed public law 15 if there is going to be wide open competition, he said. The uniformity of class rates has nothing to do with price fixing. Neither has the National Board qualification system, town grading, rating bureau operation, etc. There has always been price competition by way of deviation, dividends, participating policies, and different forms.

He said there has been a lot of quotation of New York statute that uniformity is neither required nor prohibited, but actually what section 184 (3) says is that uniformity is not required nor prohibited "except to the extent necessary to meet the standards of the act" and those standards are adequacy, reasonableness, and absence of unfair discrimination.

AFCO to Hold Series of Field Conferences

AFCO, the premium budgeting company, is planning four meetings throughout the country for local field representatives of its 222 subscribers. It is holding meetings in Chicago Jan. 10, San Francisco Jan. 17, Los Angeles Jan. 24 and Dallas Jan. 31.

W. E. Unzicker, vice-president and manager, and David Gray, his assistant, will preside at panel discussions on the production value of AFCO's budget plans.

Protest Town Cover

The town fire and extended coverage insurance of \$2,282,000 at Northbridge, Mass., has been placed with Improved Risk Mutuals. As a result, most of members of the board of local agents which had been advising the town on its insurance resigned in protest. The agents believed the business should have been placed with New England Mutuals which pay a 20% dividend rather than with Improved Risk Mutuals, which pays a 15% dividend.

The town selectmen indicated they picked Improved Risk Mutuals because of its free engineering service and its single policy. The commission on the IRM contract, which would have been divided between the agents of the town, amounted to \$1,145.

Seeley & Co. Names Tregoning

Seeley & Co., managing general agents and surplus line brokers, has appointed Alvin C. Tregoning as manager of the surplus lines department at Seattle. Mr. Tregoning started in the business with Seeley & Co. and was a fire underwriter from 1936 to 1938, joining Hansen & Rowland in the latter year, where he served as a fire underwriter in Seattle until 1941. He joined Security of New Haven as state agent in Seattle, and in 1953 joined Universal Underwriters, leaving that organization to rejoin Seeley & Co.

Hardware Mutual of Minneapolis has sold its office building in the residential area of the city, but will continue to occupy it until its new building on Excelsior boulevard is ready for occupancy about March 1.



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EDITORIAL COMMENT

Creating Confusion for Uncertain Purposes

One purpose of multiple line underwriting is, or should be, to produce a better coverage for insured, and we believe this has been achieved rather substantially in the past five years. Another objective is to reduce expense. By increasing the per package premium the cost of handling (producing and processing) is reduced. These are sound aims to improve product and reduce price.

But there are brambles in the path to progress that are hard to cut away. Among them are the variations in rules between fire and casualty, and the efforts of each division of the business to maintain its identity, to continue its imprimatur on ways of handling business. Such variations are, after the business has agreed to combine the products, confusing and complicating.

Take as an example of this the continuance of variation the very substantial differences in term discounts and installment payment privileges between fire and casualty. On policies paid in advance the fire business charges a full premium for the first year and 75% of the annual premium for each year thereafter for four more years.

For the comprehensive personal liability endorsement to the fire dwelling policy, the casualty business charges the full annual premium for the first year, the same for the second year, and 2.5 times the annual for three years. Only recently the casualty business has changed its rules to permit the writing of a five year policy for this and other endorsements to the fire policy. Previously the fire policy was available for five years, the casualty endorsements for three years only at a discount.

However, in changing the term privilege at least to bring the fire policy and its casualty endorsements into temporal agreement, the casualty business stuck to its discount policy. The three year discount is permitted, but the full annual premium must be charged for the fourth and fifth years just as it must be charged for the first and second years. Thus three is the magic number, and though presumably a discount is allowed for three years because it is cheaper to write a policy and handle the accounting and other processing once rather than three times, it is not going to be cheaper for insured to buy for five years rather than three, though it is likely to be somewhat less expensive to write and process a policy once every five years

than to do so once every three years.

The casualty business has some installment payment rules but these resemble very little the rules applied to the installment payment of term premiums by the fire people. Consequently, in writing, the rules to govern the use of casualty endorsements with the fire policy, the casualty people make no concessions. The fire discount for installments on a five year policy are one full premium and four premiums at 78% of the annual premium, payable each year. The casualty endorsement costs the full annual premium each year.

Even for insurers not belonging to National Bureau the fire bureau files casualty endorsements to which National Bureau rules apply.

Probably the fire companies would prefer to have their installment and prepaid payment rules apply to casualty coverages attached to fire policies. But the casualty committees have agreed that it would be unfair to the bulk of the casualty business if special rules applied to these endorsements. But the casualty people are, they say, using the same installment and prepaid rules for endorsements as they do for their basic coverages. Otherwise, it is readily apparent that fire companies issuing casualty coverage by endorsement would have a decided advantage over straight casualty insurers.

We have the feeling that if fire coverages were being added to casualty policies by endorsement, that the fire business would like to retain the advantages it believed its rules and privileges gave it. Also, the fire people themselves admit that their discounts may not be realistic, and many in the fire business wish the installment payment plan had not been invented. It should be pointed out that the casualty people in permitting its covers to be written for five years have given away the right to change rates for five years and may believe they retain some protection by getting a full year premium the fourth and fifth years.

The discussion here is aimed not at any one section of the business, or any one bureau or kind of bureau but at the business as a whole and the people in it responsible for making policy. Is it so difficult to clear up some of the basic causes of confusion and cost before they are forced into Rube Goldberg situations? Policy makers presumably establish the standards of prod-

uct quality and price economy—for the public, and as much simplicity of rule and ease of handling as possible—for the producers. If there had been insistence upon these goals or even any clear delineation of them as new developments required their reapplication and study, wouldn't there be fewer confusions?

The example we are discussing here is not one of large consequence either to the companies or the public, and it could be said that in the package policies the two sections of the business have been more realistic. But there are other examples of this type of thinking and action such as the payment of three rates of commission on the automobile policy which cannot be justified in logic let alone in economy. They multiply the work and increase the cost of the delivered protection.

Perhaps it is time the business quit perpetuating peculiarities and attempting to maintain advantage by holding on to differences in ways of accomplishing the same things. The direct writers and even a few of the agency companies are cutting through the brambles and making the short road the main one with good results.

If a peculiarity means something to the customer, okay, but a lot of them don't mean a cussed thing to customers except higher cost. Each of them produces another chance for error, and for the agent they pile detail on detail. Rates for the CPL were increased last time chiefly because of the expense factor, from \$10 to \$15 in many areas,

making the spread between Allstate at \$9 and the agency company at \$15 66% instead of 11%.

Certainly the approaches to common ground (multiple line) in this business need to be studied carefully. But the standards by which the final form and procedure are determined should be simplicity of handling (price) and sound aims, to improve product and simplification of coverage for insured (product).

Aren't the combinations of fire and casualty principally or importantly for the benefit of insured? There is little benefit to him in keeping the seal of casualty or fire on a procedure at an increased cost. It is no help to agent or insured. The cost in the case of this example could be said to be small, but there are other costs that flow with it; for example, with such variations how much longer does it take to teach an employee in an agency to do the job, and then get it done?

The casualty business could say (and on another occasion it could be the fire business speaking) that if it goes along with the fire business on these endorsements, it would have to go this far on these coverages wherever used. Then perhaps it is time for the fire business to be more realistic about term discounts and the casualty business to be so with installment.

Any reason for not doing the logical simply emphasizes the need of high level attack on the general problem of of meshing fire-casualty for the benefit of everyone.

PERSONAL SIDE OF THE BUSINESS

Owen E. Barker, new president of Appleton & Cox, joined the firm in



OWEN E. BARKER

1934 after 17 years in insurance. He

became vice-president in 1944 and less than a year later was named a director. In 1948 he was elected executive vice-president. He is first vice-president and director of Board of Underwriters of New York, a manager of American Hull Syndicate, a vice-president and director of National Cargo Bureau, a director of Security Bureau of New York, and recently he was elected president of American Institute of Marine Underwriters.

Clarence A. Borst, vice-president of U. S. Casualty, has been named chairman of the casualty and surety insurance committee of the Salvation Army in New York City.

Russell A. Bradley, local agent and former president of Michigan Assn. of Insurance Agents, has been elected president of Ann Arbor chamber of commerce.

James S. Kemper, who is retiring as U. S. Ambassador to Brazil, was guest of honor at a dinner at Rio De Janeiro, given by Jose T. Nabuco, Brazilian attorney and brother of Mauricio Nabuco, former Brazilian ambassador to

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SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

the United States. Mr. Kemper received what the American circles in Rio regard as a personal tribute when the president of Brazil, Joao Cafe Filho, broke his long-standing rule against attending unofficial social functions, and was a guest at the dinner.

Kenneth L. Nehring, local agent at Tucson, and former member of the executive committee of National Assn. of Insurance Agents, was involved in a rather serious automobile accident Dec. 24. He suffered a fractured leg, fractured ribs and internal injuries. He is now recovering at St. Mary's Hospital, Tucson, but will be there for some time.

C. Ward Chase, recently named president of Johnson & Higgins (Canada) to succeed **F. S. Symons**, now chairman, joined the company in 1942



C. Ward Chase



F. S. Symons

at New York, after having been with Butler & Baldwin, New York brokers. He transferred to Chicago in 1946, returned to New York in 1951 and went to Toronto as vice-president in 1954. Mr. Symons, who joined the company in 1910 at San Francisco, will remain as a director and advisor to Mr. Chase.

Peter Eriksen, manager Underwriters Service Assn., Chicago, who underwent surgery at St. Anne's hospital there, has been released and is convalescing at home.

Harry Barsantee, advertising manager of Travelers, is credited for a recent "They'll Do It Every Time," in the Hatlo cartoon series appearing in many daily papers.

Maurice S. Tabor, Buffalo local agent, has been named one of the city's 10 outstanding citizens of 1954 by the Buffalo Evening News.

DEATHS

C. W. VAN BEYNUM, retired manager of the public information and



C. W. Van Beynum

advertising department of Travelers companies, whose death was reported briefly in last week's issue, was a veteran of 50 years as a newspaper reporter, editor, and public relations man. He was a prominent figure in insurance, advertising, and editorial circles in Connecticut. From 1952 to 1954, he represented the town of Portland in the Connecticut legislature.

He joined Travelers in the public information and advertising department in 1920; was named assistant manager in 1923 and manager in 1926. He inaugurated the extensive national advertising program of Travelers in 1931 and had also directed the public relations, publicity and sales aids programs of Travelers' companies. He retired at the end of 1952 after more than 32 years of service with Travelers. Early in his business career, he spent three years in the fire insurance business as an agent and inspector in Wisconsin. Immediately prior to his association with Travelers, he spent more than nine years with THE NATIONAL UNDERWRITER where he held official posts in both the editorial and business departments. He started the automobile news department of THE NATIONAL UNDERWRITER and also conceived the idea of the publication of the annual automobile number. He was one of the first business advertising executives to use *Editor and Publisher* for public relations advertising. He had been active in advertising, publicity and public relations committee work with Assn. of Casualty & Surety Cos., National Board and Insurance Advertising Conference.

Before his death, Mr. Van Beynum had returned to his first occupation, the newspaper business. He was Portland correspondent for the Middletown (Conn.) Press. This took only a

part of his time, however, and he also raised hogs and poultry on his small farm in Portland and, with his wife, became well known as a breeder of Welsh Corgies. He liked to write and composed a considerable amount of verse.

IVAN FUQUA, 53, local agent at Washington, D. C., died after a long illness. He founded Washington Assn. of A&H Insurance Agents, was once administrator of the welfare fund of local 26, International Brotherhood of Electrical Workers, developed voluntary group plans for several large organizations and was formerly connected with Electrical Workers Benefit Assn.

A. H. TURNER, 74, general agent of Atlanta, died after an extended illness. He was southern manager of 10 insurers, American Central, Yorkshire, Seaboard F&M., Aetna Fire, Northwestern National, Northwestern National Casualty, Century Indemnity, Newark, Caledonian and U. S. Fire, and was senior partner in the general agency which bore his name.

He began his career in a clerical capacity with Queen in the southern department at Atlanta at the age of 16. From 1906 to 1913 he traveled Louisiana as special agent of Royal and transferred to the Atlanta office of that company in 1913 as agency superintendent. In 1917 he entered the general agency business as a partner in Dargan & Turner, purchased the interest of Milton Dargan Jr. in 1923 and in 1945 formed a co-partnership with Frank M. Kinnett, E. F. Edwards and John W. Boyd who will continue to manage the general agency.

JAY J. REYNOLDS, SR., 68, superintendent of the bond department of New Amsterdam Casualty at Chicago since 1943, died there of a heart attack. A graduate of the University of Illinois, Mr. Reynolds started in insurance with American Surety in 1910. He later served with Ocean Accident, was a vice-president of the old Northwestern Casualty & Surety of Milwaukee, and then was with New York Indemnity and Century Indemnity before joining New Amsterdam. He was an early member and one of the motivating forces of Surety Underwriters Assn. of Chicago and served as its president in 1928. He also was active

in the Knockers Club, another Chicago insurance group.

HALE ANDERSON, 71, who retired in 1948 as vice-president of Fidelity & Casualty in charge of the bonding department, died at his home in North Stonington, Conn. He started with Fidelity & Casualty in 1905 under E. C. Lunt. He became Mr. Lunt's assistant in the bonding department and developed into an outstanding surety

underwriter and executive. When Mr. Lunt went with Sun Indemnity, Mr. Anderson succeeded him as head of the bonding department. He was elected assistant secretary and then vice-president. During the second world war, Mr. Anderson served as vice-chairman of the surety all industry committee that worked closely with the government on contract requirements.

His son, Hale Jr., is assistant general counsel of Hartford Accident.

JOSEPH W. BARR, SR., prominent agent at Oil City, Pa., died there at the age of 79. Mr. Barr was graduated from Amherst in 1899. In 1903, he was admitted to the Venango county bar. He assumed full charge of the agency founded by his father on his father's death in 1912. His son, Joseph W., Jr., has been with the agency for some years.

WILL H. HARRISON, 72, well known former Iowa field man who had retired in 1948 as superintendent of the Iowa office of National Fire of Hartford, died in his home in San Diego. Mr. Harrison, who had been with National Fire 35 years and had been in insurance in Iowa 43 years, started his career at Davenport. He had moved from Des Moines to San Diego on retiring.

Mr. Harrison was the last charter member of the Iowa Blue Goose pond and also the last charter member of Ashcota Tribe, an organization of field men who were old timers in fire insurance. He was also a charter member of the Iowa State Fire Prevention

(CONTINUED ON PAGE 28)

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for Denver covering mountain states. Excellent opportunity for experienced man. Car furnished. Write giving age, experience. Replies confidential.—Agency Department, Great American Indemnity Co., P. O. Box 758, Chicago 90, Ill.

General Agency operating in Three-State Upper Midwest area, desires stock company outlet for Long Haul Physical Damage of manual rates. Experienced producers with a favorable record. Address C-64, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Englishman (single) educated and reared in England, has headed sales production for many years in three different consecutive Western companies, now seeks a roving commission as claims adjuster in British Isles and/or Southern Europe. Please write confidential Box C-48, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

INDIANA

A prominent, non-bureau, capital stock casualty company offers an excellent opportunity to a production man well acquainted and established in Indiana. Starting salary dependent on ability and experience. Replies strictly confidential. Write Box C-74, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ASSISTANT TO VICE-PRESIDENT

A large Chicago Insurance Agency is seeking a man under 40 to act as Assistant to the Vice President. Duties involve Sales Administration. Fire and Casualty experience required. This is a career opportunity which offers a good starting salary and excellent future. Write fully giving phone number. Address C-77, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Prominent multiple line group with an established agency plant is interested in securing a Fieldman with a Casualty background. Excellent opportunity for qualified man to become associated with a rapidly expanding organization. Salary commensurate with experience and ability. Liberal benefits. Inquiries treated in strict confidence. Write, giving experience, etc., Box C-73, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Surplus Lines and Special Risks assistant, young, prefer 3 or 4 years office experience, for nation-wide operation in the growing Southwest. Address Box C-67, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Good position open in the downstate Illinois Branch Office of a midwestern stock company. Must have Chicago Area experience and background in all casualty lines. Address Box C-45, The National Underwriter Company, 175 W. Jackson Blvd., Chicago, Illinois.

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Headquarters Chicago. To train for adjacent territory. Fire, Marine, some Casualty. Fine opportunity. Old Line Company with well established agency plant. State age, experience and salary expected. Box C-68, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Special Agent for Central Ohio by Columbus Branch of multiple line stock company, age 30-35—experienced in casualty and fire agency development. Salary commensurate and hospital, life and pension plans. Write complete qualifications to Box C-72, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Aggressive multiple line stock company expanding Southern operations. Proven producers in Ga., Ala. and South Carolina. Write with recent photo. Replies confidential. Address Box C-76, The National Underwriter Company, 175 W. Jackson Blvd., Chicago, Illinois.

INLAND MARINE OPPORTUNITY

for underwriting and assisting producers is available in the Marine Department of a large Chicago agency. Previous experience required. Reply giving qualifications, which will be reviewed in confidence. Address C-75, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

ACCIDENT & HEALTH

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The major medical expense policy developed by Guardian Life of New York went into effect Jan. 1. It is guaranteed renewable for the life of insured and spouse and has no coinsurance clause on covered expenses above a minimum deductible of \$250. The policy provides benefits of \$7,500 above the deductible for each covered person for each sickness or injury, except that after age 65 the total benefit limit is \$7,500 for each covered person.

For any given claim the amount of the deductible will be based on the combined incomes of the named insured and spouse for the tax year immediately preceding the year in which the claim begins. Combined incomes and respective deductibles are: Not more than \$10,000, \$250; over \$10,000 but not over \$15,000, \$350; over \$15,000 but not over \$20,000, \$500; over \$20,000 but not over \$25,000, \$750; over \$25,000, \$1,000. Applications will not be accepted from families whose annual income, earned and unearned combined, exceeds \$25,000. The application contains a question on this.

D. C. Blue Cross Increases Benefits

Group Hospitalization, Inc., Washington, D. C., Blue Cross plan, is offering a new hospital service contract allowing up to 180 days of hospital care, compared to the previous 21 day allowance. It also offers greater benefits to patients admitted to non-participating hospitals, increased allowances for private accommodations and maternity care and added days care for pulmonary tuberculosis and mental or nervous disorders.

The contract also offers coverage for congenital conditions after a 10-month waiting period and coverage for children after the age of 14 days.

The contract is available on a group basis to subscribers with groups of 20 or more employees, at a cost of \$2.08 monthly for unmarried persons, and \$5.72 for husband and wife, or husband, wife and unmarried dependent children.

Combined Managers Meet

More than 150 sales managers of companies comprising Combined group attended sales training classes at Chicago and Boston. The classes covered principals of hiring, sales motivation, training and retraining of salesmen, and teaching techniques, among other subjects.

Manager of the year awards were made, with Emery Putnam taking the award for Combined of America; Robert Lutz receiving the award of top manager for Hearststone, and Vic Bracht being manager of the year for Combined American.

A special award was made to Gerald Adams, who is manager of a midwest territory, as "Miracle Man of 1954." He sold 2,500 policies during an incentive program during October and November.

Hear Gilbert at Milwaukee

MILWAUKEE—Charles H. Gilbert, Madison general agent for Woodman Accident & Life and president of Wisconsin Assn. of A & H Underwriters, spoke on "Counting Our Blessings" at the Jan. 6 luncheon of the Milwaukee association.

Claim Men Hear FBI Agent

Chicago Claim Assn. at its January meeting heard a talk by Richard A.

Wright, special agent of the FBI at Chicago, who discussed the function and purpose of his organization.

Constitution Takes False Ad Charge in Cal. to Court

LOS ANGELES—Constitution Life has filed with superior court here a petition asking that Commissioner Maloney's order suspending its certificate of authority for a period of days, because of "false and misleading" advertising of A&H policies, be set aside and nullified. The commissioner's order stayed execution of the penalty for a year.

Constitution asks that the court review the entire proceedings in the case and reweigh the evidence, exercising its own independent judgment. Charles Thompson, counsel for the company, in filing the petition said there was nothing in the California law which sets forth proper advertising language and that Constitution seeks to have established through action of the court just what is permissible and what is not permissible.

Offers Course on New Forms

The fire underwriting committee of the school of insurance of Insurance Society of New York is offering a short course on new fire forms and package policies beginning Jan. 12. Six sessions will be held on Wednesdays from 6 to 8 p.m. Cameron S. Toole of Travelers is chairman and other committee members are George S. Duryee of the St. Paul F. & M. Henry C. Klein of New York Underwriters, Gordon A. McKay of Home and Wilbur D. Ryerson of American.

To Fete Ohio Legislators

Ohio Insurance Council will give a banquet Jan. 25 at Columbus in honor of members of the Ohio assembly and a few state officials. Prof. John S. Bickley of Ohio State University, will give a talk on the development and importance of insurance in the economic and social system. L. H. Grinstead of Beacon Mutual Indemnity is chairman of the council.

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NEWS OF FIELD MEN

Phoenix of London Names Loughridge in Nebraska

Phoenix of London group has appointed James B. Loughridge as special agent in Nebraska, where he will assist manager Mark W. Besack with headquarters at Omaha.

Mr. Loughridge is a graduate of Washington & Jefferson college, and before joining Phoenix was a special agent of Home Indemnity.

Jones Named N. B. Special Agent

Thomas C. Jones has been named special agent to assist W. H. Gilchrist, special agent, in supervision of North British group business in Westchester, Rockland and Putnam counties, N. Y. His headquarters will be 141 Parkway road, Bronxville, N. Y.

Mr. Jones, in addition to having completed an intensive training course at the home office in all phases of company operations, has had several years experience in underwriting departments.

Kinning Special in Minn. of Phoenix, Conn., Group

Joseph A. Kinning, formerly inland marine special agent in Minnesota, North Dakota, South Dakota, Iowa, Nebraska and Wisconsin, has been appointed special agent in Minnesota by Phoenix of Hartford group. In his new capacity he will assume the field duties of fire and casualty writings in addition to inland marine. He joined the group in 1951. Headquarters are in the Twin City Federal building, Minneapolis.

Phoenix, Conn. Advances Three to State Agents

Phoenix of Hartford group has promoted three casualty special agents to state agents. Maurice F. Ahearn Jr., Robert L. Runz and Robert M. Welton have assumed state agent duties in New York, New Jersey and Connecticut, respectively.

Mr. Ahearn is a past president of Albany Field Club. He will continue to supervise the company's casualty operations in eastern New York with headquarters in Albany.

Mr. Runz has had 12 years casualty experience and represents Phoenix

group casualty-wise in northern New Jersey, with offices in Newark.

Mr. Welton will continue to supervise casualty business in Connecticut and Rhode Island with headquarters in the home office. He has served as an instructor in Hartford Insurance College, University of Connecticut extension, and in the Phoenix group's field training course.

Albany Club Considers Constitution Changes

Proposed changes in the constitution of Albany Field Club were discussed at the December meeting. They will be voted on at the next meeting. The constitutional committee has decided to accept the constitution set up for field clubs by Eastern Underwriters Assn., with a few minor changes.

R. O. Reid of North British, chairman of the rate, rules and forms committee, said that in the future all problems dealing with rate, rules and forms will be discussed at the field club luncheon since the underwriters association has been abolished.

John M. Parker Jr., recently appointed state agent of Fire Association, was accepted as a member.

Glens Falls Promotes Two at Detroit

Glens Falls group has promoted James E. Nee, who has been special agent, to manager of the Detroit office, and Donald R. Lewis to field assistant there. The territory under the jurisdiction of the Detroit office has been expanded to include the 13 counties in the southeastern part of Michigan.

Mr. Nee has been with the group 27 years as special agent in charge of operations in the Detroit area. Mr. Lewis is a graduate of the home office advanced training course and has been a multiple line underwriter in the Detroit office the past year.

W. Va. Blue Goose to Honor Veteran Ganders

West Virginia Blue Goose will hold its semi-annual meeting Jan. 20 at Charleston. Following the business meeting and a reception, the Ganders will give a testimonial dinner for E. V. King, retiring manager of West Virginia Inspection Bureau, Clark Buckingham and Eddie Eager. Ganders King and Buckingham are charter members dating from 1922, and Mr. Eager has 27 years of membership.

Syracuse Club Elects Oldreive President

George Oldreive, special agent of Fireman's Fund, was elected president of Insurance Field Club of Syracuse. Other officers are David W. Shupe of Home, vice-president; Robert Hughes of Commercial Union, secretary, and Robert H. Kelly of the Springfield, treasurer.

The club is planning to expand its insurance and public relations work this year. Mr. Oldreive has said he will appoint a new liaison committee to develop closer contacts with local agents' organizations and civic and service groups in the area.

Mountain Club to Meet

Mountain Insurance Field Club will meet Jan. 24 in Manchester, N. H. The discussion will include information on the new New Hampshire policy bill.

Phoenix Field Men Meet

Field men in the Pacific department of Phoenix of Hartford group are meeting at Palo Alto this week. Individual conferences are being conducted

at San Francisco. Department heads from San Francisco attended the banquet Thursday. Frank C. Beazley, vice-president, is supervisor of the conference, along with Ernest F. Wagner, secretary.

Andreae Named in Ind.

William E. Andreae has been named special agent for Boston & Old Colony in Indiana with headquarters at Indianapolis. He will assist Paul Catherman, state agent. Mr. Andreae has been with Indiana Inspection Bureau at South Bend.

Rochester Club Elects

Harry Craig of Fire Association was elected president of Insurance Field

Club of Rochester, N. Y. Other officers are Chapin Blake of Aetna Fire, vice-president; R. L. Free of Loyalty group, secretary; Walter Reardon of Continental, treasurer; and Charles Lewis of Home, chairman of the executive committee.

F. J. Schwoegler, assistant manager of Wisconsin Fire Insurance Rating Bureau, will discuss the all physical loss form 49 S at a luncheon meeting of Wisconsin Fire Underwriters Assn. in Milwaukee Feb. 7.

R. J. Glasgow, executive vice-president of Continental Casualty, spoke at a meeting of Racine-Kenosha chapter of National Assn. of Cost Accountants Jan. 10.



RESERVES

The ample funds set aside by Pawtucket Mutual as reserves for losses and unearned premiums provide security for all policyholders.



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Pawtucket Mutual makes it easy for its agents to solicit additional business by furnishing up-to-the-minute sales material.



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Pawtucket Mutual operates in twenty states from Maine to Mississippi and west to Wisconsin.



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Pawtucket Mutual's underwriting practice is based on a sympathetic understanding of assured's needs and agent's requirements.



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Not content with merely meeting today's problems, Pawtucket Mutual looks forward for new methods and ways to serve its policyholders more efficiently.



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Product, O.L.&T., M.C., Etc., Changes

(CONTINUED FROM PAGE 1)

where the reduction is approximately 6%.

Among the product liability manual rule revisions is one which reduces minimum premiums for BI and PDL from \$100 to \$25 for retail gasoline stations engaging in the incidental sale

of liquefied petroleum gases.

New product liability classifications have been established for soft drink canners, oil or gas well drilling or re-drilling contractors, and natural gas and crude oil producers. The restaurants classification is replaced by two

new restaurant classifications based on the percentage of alcoholic beverage sales.

The tourist courts product liability class is amended to exclude food and beverages, except those dispensed through restaurants, because coverage for the consumption of such food and beverages, both on and away from the premises, is newly included as part of the OL&T cover for these risks. All goods, other than food, beverages, gasoline, greases, lubricating oils and automobile accessories or supplies have been assigned to the "stores—not food or drink—n.o.c." classification. Sale of gasoline, greases, lubricating oils and accessories or supplies will continue to be classified and rated as formerly and sale of food or beverages through restaurants will continue to be rated in accordance with the restaurant's classification.

Experience for elevator BI has been unfavorable. Increased loss costs and costs of inspection, such as salaries, travel, lodging and meals, have made existing BI rates inadequate. Premiums for this form of insurance are calculated on a per elevator basis, and these premiums do not increase automatically to offset the effect of increased claim and inspection costs.

BI rates for elevator liability are increased, on the average, in all states where revised rates are effective and in the District of Columbia, Alaska, Hawaii and Puerto Rico by National Bureau. Revisions in rates result in an average increase of about 15% country wide with the exception of New York where the increase is about 30%.

Among the changes in elevator liability manual rules is an amendment to the rule relating to exclusions, which indicates that the contractual liability exclusions do not apply to agreements required by municipal ordinance and that the exclusion pertaining to BI to persons while employed by insured does not apply to such agreements, except for obligations under a workmen's compensation law.

Among the more important revisions in the rules of the OL&T manual are that "farms" and "personal liability, including farms" classes are amended to exclude PDL arising out of crop dusting and spraying by aircraft and the use of herbicides. These same exclusions are also applicable to farmers comprehensive personal liability.

The "clubs—n.o.c.", "golf courses" and "hotels" OL&T classifications are amended by establishing an additional charge for "golfmobiles" loaned or rented. Also a separate class has been established for persons loaning or renting golfmobiles to others. Persons using or legally responsible for golfmobiles may be included as additional interests for an additional charge of 10%.

The two restaurants OL&T classes have been revised, to be based on the percentage of alcoholic beverage sales; reference to dance floors and orchestras has been eliminated, except for greater New York where the separate classification is retained.

The tourists courts class is amended to include an additional charge for dwelling quarters occupied by the operator. Under the class transients is now defined to mean all guests registered on a daily, weekly, or monthly basis.

Among the rule changes in the M&C manual is one which provides for minimum premiums of \$25 for BI and PD for gasoline or oil supply stations, retail; automobile garages, and similar risks where there is incidental sale of

liquefied petroleum gases other than in containers bottled away from insured's premises.

The revision of BI rates for OL&T in Wisconsin results in an average state wide increase of approximately 33%. The classes affected include stores, hotels, churches, hospitals, clubs, restaurants, apartments and tenements, boarding or rooming houses, and mercantile and office buildings.

Complete American Home, Globe & Rutgers Merger

(CONTINUED FROM PAGE 1)

have been high, a good deal higher than the rule formula of one to one.

American Home will enter the casualty business though at no specified date. State of Pennsylvania also has a multiple line charter.

AIU Corp. and AIU Overseas are foreign managing agents for 13 American insurers, including in addition to American Home and State of Pennsylvania the National Union group, Loyalty group, New Hampshire group, Hanover group, Pacific National and Security of New Haven.

Mr. Youngman was optimistic about business abroad for the coming year. He noted that since 1946, when total premiums written abroad by American insurers in the general field was around \$25 million, the business increased to \$83 million in 1953. This has been the result partly of the tremendous increase in export trade, partly due to the energy with which American insurers have gone after foreign business, and, as far as AIU is concerned, working closely with local interests and staffing of AIU operation with nationals. Good service and prompt payment of losses have helped.

About 90% of the insurance business done by the British market is overseas and on exports while only about 2% of the American insurance business is that, he commented. Much of the overseas business is on the activities and property of contractors, oil companies, and a big tourist trade, which might be said to offer the best opportunity for the local agent. AIU recently opened a new office in Boston and brokers there discovered that there are quite a number of small local concerns doing an export business.

Executives attending the press conference and acting as hosts at the luncheon which followed were, in addition to Mr. Youngman, Mansfield Freeman, vice-chairman, F. E. Lintilhac, executive vice-president, and John Ahlers, treasurer of C. V. Starr & Co., and L. H. Collier, vice-president of AIU Corp.

Olympic of Los Angeles, has been licensed in Oklahoma.

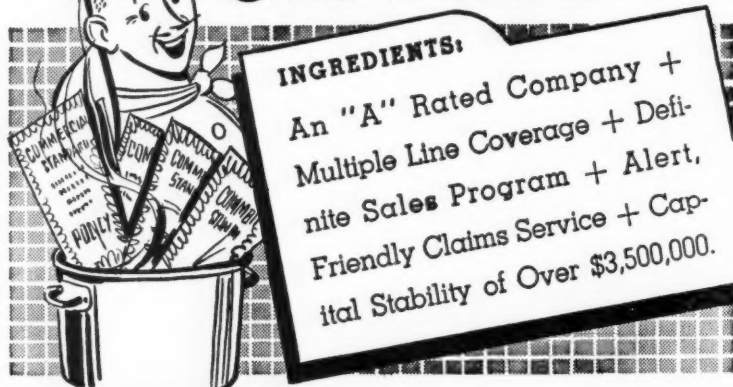
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NAUA Rate Changes in Four Western States

National Automobile Underwriters Assn. has revised rates in California, Idaho, New Mexico, and Wyoming, effective Jan. 17. In California the reduction will be approximately \$1,286,000 a year. Private passenger comprehensive is reduced 3%, \$50 deductible collision as much as 11% in most territories with increases in a few territories and a slight reduction for the state over-all, while \$100 deductible is reduced 7.5%.

On commercial, the local fire, theft and comprehensive rate goes down 3.5%, intermediate and long distance down 20%, with collision remaining unchanged.

In Idaho private passenger comprehensive goes up 18.5%, \$50 deductible collision increases 4%, and \$100 deductible goes down 13%.

In commercial, local fire, theft and comprehensive rates are reduced about 4%, intermediate and long haul rates go down 20%, with local collision rates up 10% and intermediate and long-distance collision unchanged.

In New Mexico private passenger comprehensive rates are increased 2.5%, \$50 deductible collision is reduced 6.5%, and \$100 deductible is reduced 3%. Farmers get a 20% lower collision rate on private passenger cars.

In commercial, local fire, theft and comprehensive rates are reduced 4.5% and collision for that class goes down 4%. Intermediate and long haul fire, theft and comprehensive rates go down 5%, collision premiums remain unchanged.

In Wyoming the private passenger rates remain unchanged except for a 20% reduction for farmers. The commercial fire, theft and comprehensive rate is reduced 4.5%.

Insurer Holds States Are Parties to FTC Complaints

(CONTINUED FROM PAGE 1)

not conducting an insurance business in any state other than such states in which it holds a license." Therefore, its business is regulated by state law and the FTC act is not applicable to its business.

Life of America makes a similar point. It says that although it has issued in Delaware policies to persons located in that state as well as other states, it is not subject to the jurisdiction of any state other than the state of Delaware because it is not conducting an insurance business in any state other than Delaware.

United, Guarantee Trust and LaSalle Casualty all maintain in substance that they are regulated by the laws of the state in which they are domiciled and the states where they are licensed and that the FTC action should be dismissed.

All five companies deny their advertising is false and misleading. LaSalle Casualty contends the statements attributed to it in the complaint do not "have any significance, value, importance or meaning, having obviously been taken out of context and are not subject to interpretation or understanding while in such form and unrelated to the complete text."

Guarantee Trust and Life of America note they are signatories to FTC trade practice conference rules of 1950 relating to the advertising and sales promotion of mail order insurance. They contend that in accordance with the rules they have submitted their

advertising to members of the staff of the commission and have promptly effected any changes suggested. They also assert that prior to the commission's resolution in December, 1953, calling for the industry-wide investigation, they had submitted their advertising, portions of which are quoted in the complaints, to FTC and were informed that such materials were not objectionable and not subject to criticism.

Illinois Commercial Men's Association of Chicago also has filed an answer denying FTC charges. It does not require total disability "as a condition precedent to the payment of claims for partial disability," it contends.

Meanwhile, another investigation into A&H companies has been proposed. This one was called for by Rep. Multer of New York, who would create a special committee to study the operations of A&H and hospitalization companies, associations, societies and funds.

National Benefit Merged with American Republic

National Benefit and American Republic, both of Des Moines, have been merged with American Republic, a legal reserve mutual, the continuing company.

At Dec. 31, the two companies had approximately \$12 million of assets, \$6,500,000 surplus to policyholders and annual premium income of \$13 million. There also was \$17 million of life insurance in force.

The two companies have the same management and occupy the same offices. Officers are Watson Powell, president; Watson Powell, Jr., executive vice-president; W. R. Olson, vice-president, and H. H. Gunn, secretary-treasurer.

American Republic at Dec. 31, 1953, had assets of \$4,049,597 and that year had net premiums of \$5,183,618. The respective figures for National Benefit were \$5,784,008 and \$5,591,377.

National Benefit, founded in 1906 as an assessment A&H company under the name Hawkeye Commercial Men's Assn., converted to a stock company in 1948. At Dec. 31, 1953, it had capital of \$1 million.

Correction in Reinsurers

Inter-Ocean Re of Cedar Rapids, Ia., was erroneously listed as under the management of Edwin Stewart in the list of reinsurers printed in the Dec. 30 issue. Officers of the company are Roy E. Curran, chairman; Karl P. Blaise, president; E. D. Obrecht and Donald R. MacKay, vice-presidents; James E. Hamilton, treasurer; and M. Holbrook Morrison Jr., assistant secretary.

NAMIA Committees to Meet

Four of the newly appointed committees of National Assn. of Mutual Insurance Agents have been called to meet in Washington D. C. the third week of January by J. F. Montgomery of Jackson, Miss., president. Particular consideration will be given to finding a practicable substitute for compulsory auto and unsatisfied judgment fund types of legislation and to a study of the model rating bill proposed by National Assn. of Insurance Brokers. The committees are fire safety and prevention, federal taxation, agency management and executive.

Ind. Pond to Honor Juenger

INDIANAPOLIS—George Juenger, retired field man for the Secured group of Indianapolis, will be honored with a life membership certificate at the meeting of the Indiana Blue Goose Jan. 17. Mr. Juenger, who retired Jan. 1, has been a member of the Indiana pond since 1921. Several new members will be initiated at the meeting.

To Seek Standard Fire Policy in N.H.

The 1943 New York standard fire policy is expected to be introduced in the New Hampshire legislature. If

adopted, the one-write format would be permissible. New Hampshire still has a valued policy law, and, except for Minnesota, which has its own statutory fire policy, is the only state in the country that has not adopted the standard policy.



OLD SUPERSTITIONS

and what they mean

When two forks are accidentally set at one place at the table, it is supposed to mean that whoever sits there will marry twice.

Silverware, by the way, is just one of the many items covered by "L & L's" new comprehensive dwelling policy.



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brokers and agents

DEATHS

(CONTINUED FROM PAGE 23)

Assn., the Iowa Field Club, and Insurance Federation of Iowa. He was a past president of the federation.

Starting as special agent in Iowa for National Fire in 1904, Mr. Harrison purchased an interest in a Davenport agency in 1909 but continued as district agent for National Fire until 1912 when he became state agent for Commercial Union group. He continued in this position until 1919 when he was appointed state agent for Aetna Fire. In 1920 he returned to National of Hartford as Iowa state agent.

Mr. Harrison is survived by three sons in the insurance business, John of San Diego, Will Jr. of Sunland, Cal., and Benjamin of St. Louis.

THOMAS M. GALPHIN, 57, prominent Louisville insurance attorney, specializing in fire insurance matters, died at the Norton Infirmary of complications developing following an operation on Dec. 30. He appeared to be well on his way to recovery when he suffered a relapse.

Mr. Galphin, a member of the law firm of Ogden, Galphin & Abell, was regarded as one of the leading insurance attorneys of the state. He was counsel in Kentucky for the National Board, and for quite a number of fire and casualty companies.

RICHARD P. WHITE, SR., 77, whose son, Richard P., Jr. is northern Indiana state agent for Hanover Fire, died suddenly at his home in Oak Park, Ill. Mr. White, who was secretary and treasurer for the Red Wing Pottery Co., was with the firm for more than 50 years.

CHARLES W. SMITH, 46, head of the New York City brokerage firm bearing his name, died. He was a specialist in ocean marine business, and before organizing his own firm in 1946 he was with Fox & Pier and Eben-Baxter-Harstedt of New York. His interest in the marine field began when he was a youth and sailed on ships owned by his father.

CLAYTON B. SHEPPARD, who retired in 1932 after 24 years in the Michigan field for American Central, died at Wardsville, Ont., where he had been living. He started in the Michigan field in 1908 after having been with American Central since 1892. Mr. Sheppard was an honorary member of Michigan Fire Underwriters Assn. and a life member of the Michigan Blue Goose. His son is William H. Sheppard of the Detroit adjusting firm of Ward & Sheppard.

HARVEY F. McGLAUFILIN, 64, president of Maine Mutual group, died. The group includes Aroostook County Patrons Mutual Fire, Aroostook Mutual Fire, Northern Maine Patrons, of which he was president, and Patrons and Aroostook. He also was a Presque Isle, Me., local agent.

JOSEPH M. LEWIS, founder and president of Progressive Mutual of Cleveland, died. The company, organized in 1937, writes, automobile, A&H, fidelity and surety.

BRUCE G. KIME, 87, local agent at Ridgway, Pa., died after a long illness. He started his agency in 1895 in partnership with the late Merton Elliott. Mr. Kime took over the business himself soon afterwards and built it

into one of the largest agencies in the state. The agency was incorporated in 1943, and Mr. Kime served actively as president until his death.

JAMES H. BRYAN, 71, a broker with Travelers at Dallas since about 1900, died there.

LT. JOHN R. LEWIS, 25, son of Deputy Commissioner C. W. Lewis of the North Carolina insurance department, was killed when his jet plane crashed near Dover, Del.

JOHN S. T. WILCOX, Salisbury, Md., local agent, died at his home. He had been ill for some time, but had been operating his agency from his home.

MICHAEL A. ROSE, 44, an underwriter in the fire department of Alexander & Alexander, New York City average adjusters and consulting actuaries, died after a heart attack. He had been in insurance in New York City since 1928 and with Alexander & Alexander since 1947.

EDWARD V. PAPIN, 85, retired local agent of St. Louis, died at Boston after an illness of a month. He had been living in New Hampshire for more than 20 years following his retirement.

DONALD H. CHOATE, 60, Bridgeport, Conn., local agent, died at his home.

GEORGE A. NICKERSON, 47, Tully, N. Y., local agent for 22 years, died after a long illness.

Tennessee Measure Would Bar Insurers of Foreign Governments

Commissioner Northington of Tennessee is sponsoring a measure introduced in the legislature which would prohibit insurers financially owned or controlled by a foreign government from operating in the state. Prompt payment or enforcement of insurance claims is of first importance, he said, and a company owned by a foreign government would be much more difficult to proceed against legally.

Another administration sponsored bill provides that an out of state insurer, to do business in Tennessee, must have been in business in its home state for at least three years. Minimum financial qualifications for doing an insurance business in the state would be increased from \$50,000 to \$200,000 with an additional \$200,000 in capital available for each additional type of insurance the company writes.

Another measure would permit the widow of an insurance agent to draw renewal commissions without qualifying for a license. Also sponsored by the administration is a service-of-process act.

The governor and insurance department is sponsoring a model A&H bill, which would require policies to be printed in not less than 10 point, etc.

The administration is expected to ask a 1% increase in the insurance premium tax, which would produce an estimated \$2 million in increased revenue.

Chicago Buckeyes to Meet

The Chicago Buckeye Club, comprised of insurance men in Chicago who are former Ohioans, will have its next meeting Jan. 25 at the Bismarck hotel. This will be the annual dinner and election.

Harry F. Liebrock, Chicago metropolitan supervising agent, is marking the 10th anniversary of his agency, H. F. Liebrock & Co. Before going into business for himself, Mr. Liebrock for 21 years was with R. A. Napier & Co. agency. A brother, Charles B. Liebrock, has been with the Liebrock agency since 1946.

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

the policyholder manual rates; two cost him a 10% surcharge and three or more a 25% surcharge. The new driver pays manual. On collision the credits are 15% for two years, 10% for one. One collision costs manual rates, two 10% and three or more 15%.

United Benefit is owned and operated by Stewart, Smith & Co., New York.

Phoenix, Conn., Field Changes in Fla., Ia.

Phoenix of Hartford group has promoted Special Agent Jefferson H. Davis to state agent in Florida. He joined the group in 1950 as state agent. He will continue to augment the staff of General Agent A. W. Roberts, with headquarters in Orlando.

The Phoenix companies have transferred Wayne W. Eden to special agent in Iowa. Formerly casualty and bonding special agent at Chicago, he joined Phoenix in 1948. He will make his headquarters in Des Moines and will augment the staff of State Agent Pritchard J. Payseur.

Robert H. Schmid, former special agent in Iowa, has been transferred to Phoenix field office in Manchester, N. H., to assist State Agent Robert G. McKay. Mr. Schmid joined the company in 1947. He is a graduate of the Wharton school.

Helicopter Hull Loss Is \$175,000

A \$175,000 insurance loss has been reported on the hull of a Sikorsky S55 helicopter which crashed near Grand Isle, La. Civil aeronautics board will hold a hearing to determine the cause of the accident which took four lives and caused minor injuries to three other persons. The helicopter was transporting oil workers from an offshore oil rig to Grand Isle and a landing was being attempted during fog conditions when the crash occurred.

The helicopter was owned by Petroleum Bell Helicopter Co., and the hull was insured by Associated Aviation Underwriters.

Audubon of Baton Rouge Launches Audubon Life

Audubon Life Ins. Co. has been organized at Baton Rouge and will commence business immediately. The company is an affiliate of Audubon Ins. Co. It starts business with a paid in capital and surplus of \$125,000.

T. J. Singletary, president of Audubon, is president also of Audubon Life, and T. P. Singletary is vice-president, and M. S. Dougherty, Jr. is secretary-treasurer. Mr. Dougherty is vice-president of Audubon.

Audubon Life is chartered to write all forms of life insurance, but will confine its initial operations to Credit Life. The parent Audubon Ins. Co. is 10 years old.

Home Promotes Two Ill. Field Men to State Agents

Eugene F. Snediker, who has been special agent for Home at Peoria, has been promoted to state agent in the northern part of the state. He will continue his headquarters at Peoria. Mr. Snediker started with the company in 1936, and after his return from navy service in the war was made special agent at Chicago. He has been at Peoria for 18 months.

D. H. DeMarcus, special agent at Peoria, has been promoted to state agent and transferred to Detroit, where he will be associated with Manager L. Dean Alber. Mr. DeMarcus joined Home in the farm department at Chicago in 1934.

Extra for American Indemnity

Directors of American Indemnity of Dallas have declared a dividend of 60 cents to be paid semi-annually, and an extra of 20 cents, which will be paid along with the first half of the regular dividend Jan. 25 to stock of record Dec. 31.

Eureka Casualty Votes to Double Capital

At a special meeting, stockholders of Eureka Casualty voted to increase capital from \$750,000 to \$1,500,000 by changing the par value of the 150,000 shares outstanding from \$5 to \$10 each.

The constitution and by-laws of Eureka Casualty were amended to coincide with those of the parent company, Fire Association.

K. B. Hatch, chairman of Eureka Casualty, stated that the addition to capital and the resulting increase in policyholders' surplus were prompted by a desire to have Eureka Casualty Co. qualified to do a full multiple line business.

Hikes Surplus \$200,000

An additional \$200,000 in cash has been contributed to surplus of Southwest General of Dallas by the company's stockholders. The increase in surplus follows expanded operations of the company.

Boardman-Hamilton & Co., Philadelphia local agency, has been appointed general agent for Security Mutual Life of Binghamton, N. Y.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co. 135 S. LaSalle St., Chicago, Jan. 12, 1955			
Aetna Casualty	3.00*	186	190
Aetna Fire	2.40	71½	73
Aetna Life	2.25*	166	168
Agricultural	1.60	36½	37½
American Equitable	1.70	37	38
American Auto	2.00	62½	63
American (N. J.)	1.20	34	35
American Motorists	.24	14½	15½
American Surety	3.00	78½	80
Boston	1.40	39½	41
Camden Fire	1.15*	29	30
Continental Casualty	1.40	96	98
Crum & Forster com.	1.80	64½	66
Federal	.70*	35½	36½
Fire Association	2.20	52	53½
Fireman's Fund	1.35	71½	73
Firemen's (N. J.)	1.05	40	41
General Reinsurance	1.80	44	45½
Glens Falls	2.00	75½	78
Globe & Republic	.90	19½	20½
Great American Fire	1.50	43	44
Hartford Fire	3.00	194	196
Hanover Fire	1.80	45½	47
Home (N. Y.)	2.00	46½	47½
Ins. Co. of No. America	2.50	106½	108½
Maryland Casualty	1.25	42½	43½
Mass. Bonding	1.50*	33½	35
National Casualty	1.50*	42	43
National Fire	3.00	98	102
National Union	2.00	46½	48
New Amsterdam Cas.	1.65	57½	59
New Hampshire	2.00	48	50
North River	1.40	35½	37
Ohio Casualty	1.80*	75	76
Phoenix, Conn.	3.40	86	88
Prov. Wash.	1.40	29½	30½
St. Paul F. & M.	1.00	50	52
Security, Conn.	1.60	45	46½
Springfield F. & M.	2.00	56½	58
Standard Accident	1.80	72	74
Travelers	19.00*	1925	1950
U. S. F. & G.	2.00	89	91
U. S. Fire	1.80	49	51

*Includes Extras.

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